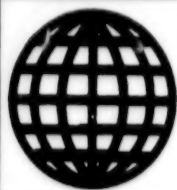


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30 APRIL 1992



**FOREIGN
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JPRS Report

East Europe

East Europe

JPRS-EER-92-053

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Albanians, Macedonians Call for Removal of Border

AU2904131692 Tirana ZERI I POPULLIT in Albanian
10 Apr 92 p 1, 3

[Article by Abdurrahim Ashiku: "Love That Embraced Diber e Madhe"]

[Excerpts] The wall separating the "Two Dibers" has been cracked. When will this wall be destroyed, as the Berlin wall was? [passage omitted]

5 April 1992. A remarkable day. Let this day go down as a remarkable day in the new history of democratic Albania and of all the people from Diber, wherever they are.

Early morning. Peshkopi is bright with lights and very noisy from the voices of the people and sound of the cars, which later in Diber e Madhe [Macedonian Diber] will form a festive collection with all sorts of cars with all sorts of license plates... DI [Diber], MT [Mat], TR [Tirana], DR [Dures], EL [Elbasan], VL [Vlore], KJ [Kavaje]...

In Qenok, on that historic site of wars against Turks and Slavs and of wars for freedom and independence and where Diber e Poshtme [Lower Diber] is separated from Diber e Eper [Upper Diber], one's gaze falls on Diber e Madhe, the "capital" of the province. The city embodies brotherly love and hospitality. [passage omitted]

The Second Day of Great Bairam

On 5 April 1992, on the second day of Great Bairam [Muslim festival held after Ramadan], the people of Diber made their traditional wish in their city, as ancient as Albania.

How many people from Diber have come today to Diber e Madhe? The Ramadan day brings over 30,000, according to the figures of the Macedonian Radio and Television. There are more. You could not count them when they gathered on the paths toward Diber e Madhe and toward its villages throughout the commune. As soon as you got off the bus, young people with a stripe on their arms asked you: Do you have any relatives to stay with? Welcome! The doors are open! The squares of Diber are full of people. [Macedonian] Diber shops are for the first time selling goods for Albanian leks. It is beautiful. Nothing could better this on the road toward rapprochement, national unity.... [passage omitted]

Toward Future Unity

After the first touching moments of their meeting when their racing pulses had calmed, after their voice had cracked with emotion, talks began with introductions, recognitions, wishes: Happy Bairam! Many happy returns! May we be forever united! They began to speak about the economy and trade, production and cooperation, and work. They also spoke about politics and the development of democracy in Albania, the victory of the

Albanians on the other side of the border, about the autonomous Republic of Albanians called Iliriada (or Ilirida as they were corrected), about exchanging visits and joint holidays....

At the square in front of the primary school in Diber, a big popular gathering accompanied, with applause and shouts, the voices of singers from Diber and amateur singers from culture centers named after the renowned democrat from Diber, Haki Stermilli. [passage omitted]

Parliamentarians and party leaders, wherever you are, in Albania, in Macedonia, in Europe, and further afield: The wall separating "two Dibers" is anachronistic. A word can destroy it, a word can keep it. Destroy the last dividing Berlin Wall in Diber!

Do not forget one thing: The symmetric axis of the Albanian territories passes through the city of Diber. The geographic center of Albania is a little below Diber, beyond the border of the profane surgery that separates Albania.

Ethnic Greek Leader Seeks Merger With Greece

92BA0809A Helsinki HELSINGIN SANOMAT
in Finnish 25 Mar 92 p C1

[Article by Jaakko Tahkolahti: "Young People Migrating to Greece in Hopes of Better Life, but Many Are Sadly Disappointed; Albania's Greek Minority Demanding Improvement of Their Status"]

[Text] Gjirokaster, Albania—The Greek minority living in Southern Albania intends to demand that part of present-day Albania be annexed to Greece. "Historically, this part of the country used to belong to Greece and we intend to request that our status be recognized," the leader of the Greek organization, Omonia, Theodor Bezhani, said before the parliamentary elections held in Albania on Sunday.

Bezhani expressed his views to us at his home in the gray, stone village of Frashan, built on a mountain slope south of the town of Gjirokaster, near the Greek border.

The chaotic situation of the past year and a half in Albania has brought relations with its neighboring countries to a head. A steady stream of young Albanians have been fleeing across the border to seek a better life. Greece complains that many of these refugees are criminals.

Bezhani said that the Socialist (former Communist) Party equipped the young refugees for the trip before the Albanian parliamentary elections on Sunday. "They were given a knapsack with provisions and shown which route to take to cross the mountains to the Greek side." In his opinion, their aim was to get Greek supporters out of the country during the elections.

Eager Emigrants

Last week we met some 10 young Albanians who were making their way to the mountains near the border

station at Kakavija. The young people were in high spirits. They seemed to take it for granted that they would get to Greece and a better life.

However, many of the refugees are regularly arrested in Greece and returned to Albania. The refugees claim that the Greek police have mistreated them and kept them under arrest without food. Greece denies these charges.

The border traffic at Kakavija is continuous. Albanians who have received work permits from Greece carry with them and send both food and consumer goods to their relatives. Their relatives come to meet them at the border and there is a steady stream of cars filled with goods heading north and toward Tirana.

Bezhani said that Albania has always persecuted its Greek minority. "The only issue on which the big parties agree concerns the Greeks. they even want me thrown into prison because of what I say." According to Bezhani, Albania's policy is the same as that of the Turks long ago: "They want to return the Greeks to Greece." According to him, Albania's decision to refuse to allow Omonia to nominate candidates for the elections also has to do with this policy. The decision was based on a provision of the new election law under which only parties can nominate candidates, not organizations like Omonia.

New Party

At the last minute, the Greeks of the south did indeed form a new "human rights party" for the elections. In spite of the short amount of time it had to prepare for them, it managed to nominate nine of the 35 candidates for the southern election district within five days. There were 100 election districts in the whole country.

According to the gradually confirmed results of the elections, the Human Rights Party has acquired at least two representatives in the new 140-seat Albanian Parliament. One hundred of the seats were directly determined in favor of those candidates who received the most votes. The remaining 40 were determined by the relative way in which the elections were held. In the elections held a year ago, the Greeks acquired five representatives in the 250-seat Parliament.

With the Greeks, the Democratic Party, which won the elections, has acquired one more difficult knot in its multifarious tangled skein of problems. Bezhani said that he and Omonia would be only too glad to see Kosovo, the Albanian area of Serbia, annexed to Albania.

"But at the same time the Greek area of Southern Albania ought to be annexed to Greece," he insisted.

OPT Deputy Pavlov on Ethnic Turkish Issue

92BA0694A Sofia ZORA in Bulgarian 25 Feb 92 p 9

[Unattributed interview with Gincho Pavlov, deputy from the Fatherland Labor Party, OPT; place and date not given: "To the Budget, Christians Are Not Equal to Muslims"]

[Text] [ZORA] You are a deputy from Krumovgrad. How does this obshtina look now, after more than two years of democracy?

[Pavlov] I think that for Krumovgrad, the excuse "45 years are enough" does not apply to the review of just any problem. This region, because of the situation at the time, joined Bulgaria's territory much later than the other parts of the country, after 1913. According to the memories of German engineers and other foreigners, this was an area with the greatest mortality, with simply unbearable living conditions. I am witness to the beginning of the asphalt-paved roads, the beginning of a normal, human look for the region. This was not earlier than 25 or 30 years ago. And now I am a witness to the destruction of what has been done for such a long time. I do not want you to think this is some praise for the communist regime. There is a peculiarity in our region: The Muslims do not own land, and so now, to put it bluntly, they support the position of the BSP [Bulgarian Socialist Party], which is that land belongs to those who work it. This fact, however, is not taken into account by the presumptuous mayors from the DPS [Movement for Rights and Freedoms], who have started servile politicking in favor of the SDS [Union of Democratic Forces]. Dairy farms are eliminated in such villages, and agricultural structures are destroyed to please the population living there. Here is an example: One of the rayons of the Krumovgrad obshtina used to produce 900-1,000 tons of tobacco per year regularly; now it produces approximately 200-250. Roughly speaking, these people are being used only as voters—obedient, easily manipulated voters.

[ZORA] Aren't the people themselves aware of this?

[Pavlov] They are aware. But there are some psychological peculiarities, which are observed in dense populations with precisely this Muslim religion, making it possible for 1 percent of the population to intimidate the other 99 percent. But there is something else: The greater part of the people, as we define them, with Turkish ethnic self-awareness have not changed their names.

[ZORA] Why not? Even after the DPS's pleading, after...

[Pavlov] I will explain. The issue is how will they explain the concept "mother tongue" with their real existence in this entire infrastructure and interrelationships with their Bulgarian names. There is one detail—they have their documents all ready with their Bulgarian names, which makes it possible for them to travel abroad; roughly speaking, it gives them freedom of movement. They are worried about a new delay with the changing of documents. What the DPS is doing right now, by

showing concern for them, is insincere and has the intention of limiting—by influencing the Bulgarian Government, of course—their right to a relationship with their relatives in Turkey.

[ZORA] It looks like a plan to keep them in place.

[Pavlov] It is. The DPS has never raised the issue of not requiring visas for travel between the two countries. The following paradox results: Khasan has the right to visit his brother Osman in Bursa on 1 August, say, in 1993—that is, as specified on his visa. The DPS looks on this population as an obedient instrument that will keep a group of people on top on the basis of the votes it provides.

[ZORA] The study of the Turkish language as a "mother tongue" has started in the Bulgarian schools in your region. Is this the beginning of the de-Bulgarization of the area?

[Pavlov] I do not know whether Nikolay Vasilev's statute, the SDS's statute, or the Council of Ministers' statute will be considered victory; it is the same regarding the four hours elective study of the Turkish language. The teaching of electives is entrusted only to specialists. In practice, however, such people cannot be found—people with high school educations who have passed an achievement test in the Turkish language. I am simply curious to see, to touch such a person. If this instruction is to be followed, then the Turkish language will not be taught. The strange thing here is this: In its propaganda statements, the DPS says that the larger share of taxes in the national budget comes from the Muslims in these regions. But, according to the specific features of the economy there, these people are registered as socially disadvantaged who really do not contribute with their taxes to the budget, and, if they do, their relative share is smaller than that of the Christian population. What results is social inequality. Christians pay their taxes to get 20 hours of free education for one child, while securing 24 hours of free education for another. And this happens while they contribute an equal, if not a greater, share of the state budget in taxes. Regarding the de-Bulgarization issue, according to this law/statute, let us examine some historical facts. We are talking of preservation of the authenticity, the originality of an ethnic culture, right? We accept this population as part of the Bulgarian nation, while they have Turkish ethnic self-awareness, really because of the circumstances. Now, for them to preserve their culture, to be precise, we will have to teach these people the Arabic alphabet because the Latin alphabet was introduced into Turkish grammar during the 1920's—that is, long after the liberation of Bulgaria and after its territory formed the way it is today. Here, however, one of the requirements of Pan-Turkism is fulfilled, which is unification of the language of the Turks living inside and outside Turkey. This is easy to confirm if we talk to those who participated in the so-called excursions in 1989: They and the Turks from Turkey simply could not understand

each other. I continue to think that the government in this case is putting the cat among the pigeons by carrying out other functions. And, in this case, I completely agree with what Papandreou said: "Sofia is led by Ankara."

[ZORA] Let us return to the other concept—"restoration of the names." Do people accept the Turkish translation of their names?

[Pavlov] You know, I have the feeling that the change of names (I do take into consideration the fact that the majority now have their Bulgarian names) did not impress them all that much, as did the present isolation, their present impoverishment, the confusion regarding the political situation that emerged. So, I am sure that the DPS will not be able to count on these people to vote for it much longer. You see, all this talk of Bulgarian nationalism is not going to work any more. There are young people born after 1972 who have never had any other names, and, for them, the concept "restoration of names" is absurd. They do not speak Turkish, either. There is no regulation in our country that identifies religion with nationality. And this is already a guarantee for a national catastrophe because a national catastrophe occurs when there is a loss of territory or a loss of population. All of the prerequisites are present now for the Turkification of the true Bulgarian population that has retained its Bulgarian traditions, its Bulgarian language; I have found the Turnovo language of the 14th century in my region, in the Chernichevo, in Davisilovo, in the Abren villages.... I have found this language on only one other occasion in Bessarabia. Doesn't this worry you?

Chief Prosecutor Tatarchev on Family, Background

92BA0697A Sofia OTECHSTVEN VESTNIK
in Bulgarian 26 Feb 92 pp 1-2

[Interview with Chief Prosecutor Ivan Tatarchev by Tsvetanka Tomova; place and date not given: "I Was a Bulgarian Before I Became a Person"—first paragraph is OTECHSTVEN VESTNIK introduction]

[Text] He does not condone treachery. He always remembers the good that someone has done him but forgets his own good deeds. He does not like to blow his own horn. He behaves naturally and confidently. He responds briefly to the questions, radiating internal calm. He is a confirmed bachelor, 61 years old, but looks young, does not smoke, and does not go to extremes with pleasure. He loves animals and aromatic coffee and respects the gusto of journalists.

[Tomova] After your election as chief prosecutor, you said that you had always been nonpartisan. Clearly, this is important to you. And yet, weren't you tempted after 10 November to become a member of some party?

[Tatarchev] I have never participated in political parties. A person's independence, especially if he is publicly committed through his profession, is incompatible with political biases.

[Tomova] You worked four years as a stonemason after graduating from the law department at Sofia University. Why?

[Tatarchev] Like the great poet Dzhinot, I, too, feel that, before I became a person, I already had a nationality—Bulgarian. After 9 September, it was not comfortable to be a Bulgarophile. I worked as a stonemason because they did not give me other work. The reason for this "harrowing of hell" is that I have always defended the national cause. The Tatarchev family is well known—it was accused of chauvinism. My grandfather Khristo Tatarchev participated in founding the Internal Macedonian Revolutionary Organization in Thessalonike, and my uncle Acen Tatarchev was sentenced to death in Yugoslavia. The sentence was never carried out, but he went through inconceivable sufferings. I began practicing law in 1956. I worked in Malko Turnovo and Razlog. The chairman of the Regional Court in Blagoevgrad, Mikhail Dimitrov, was a shame and a disgrace to justice. He died, and it is proper to speak either good or nothing at all of the dead. But it was terrible to work with such a person! Raised along party lines, he indiscriminately issued death sentences for political cases. He acknowledged only old chiefs. I was disbarred twice under his pressure. Since 1966, I have been a lawyer in Sofia. The former State Council vindicated me only in June 1990.

[Tomova] Recently, there has been much talk of the independence of the legal institutions. But even the so-called Italian mafia films hint that even democracy does not give full guarantees for such independence. What are the reefs the prosecutor's office considers dangerous, and how do you intend to avoid them?

[Tatarchev] I will not allow anyone to interfere with the decisions of the prosecutor's office. Whoever tries will receive the rebuff he deserves.

[Tomova] Until now, you have fulfilled your social "role" as a defender. Yet you are the chief prosecutor. Are these two "roles" compatible?

[Tatarchev] The jurist is obliged to cope with two roles. This stems from his education and his professional qualities. Justice is a moral concept. We can speak of justice in law, when we assess individual norms, but, while they exist, they must be applied independent of the subjective conviction about justice. We must conform to the law as long as it is not changed. The bill for constructing the judicial system stipulates that, after a three-year trial period, judges will be permanent. That is the way it is in most of the world and indicates independence—not just formal but practical, as well. In Bulgaria, unfortunately, judges were the executors of the politicians.

[Tomova] What is your opinion of the death penalty? Will you seek the post in the prosecutor's office as an institution to decrease criminality, which has grown three times in one year, and what changes do you intend to propose for the judicial system?

[Tatarchev] At the moment, the death penalty must exist, of course, for the most serious crimes. Imagine a child raped and murdered, and the perpetrator continues to live! I think this way as a prosecutor, as a lawyer, and as a person. It is unlikely that there will be many changes in the judicial system. Employees will be dismissed at their wish—because of retirement or transfers to other jobs. There will be no man-hunt of judges, examining magistrates, or prosecutors. Only he who is dirty will be responsible. Payment in the judicial system is very low. An accountant with a midlevel education receives two times more than a prosecutor. I will request an increase in salaries for all, according to qualifications and professional practices.

[Tomova] How did you receive your election as chief prosecutor?

[Tatarchev] As a loss of freedom. I have a large legal clientele. But someone also has to do the work of the chief prosecutor. It is immoral to back out for subjective reasons. We will work—it won't happen simply with fairy tales.

Criminal Investigators Released From Posts

AU2704134592 Sofia DEMOKRATSIYA in Bulgarian
23 Apr 92 p 2

[BTA report: "Cadre Changes in the National Investigation Service"]

[Text] On the recommendation of Interior Minister Yordan Sokolov, the Supreme Judicial Council decided by secret ballot to release Lyubomir Sakhatchiev, deputy director of the National Investigation Service, from his post. The main reason for the decision was that, during the revival process [forcible renaming of ethnic Turks in 1984-85], he served as State Security chief in Pleven Okrug, where over 600 citizens of Turkish origin were in prison at the time. At their own wish, two other officers—Khristo Khristov, head of the investigation section at the Chief Prosecutor's Office, and Lyubomir Kotsev, coordinator of the Press Bureau of the National Investigation Service and a chief investigator in the economic section—were also relieved.

Anastas Velez, head of the First Department of the National Investigation Service, was also relieved, having reached retirement age.

Secret Service Chief Explains New Role

AU2704135992 Sofia 24 CHASA in Bulgarian
23 Apr 92 p 6

[Interview with General Brigo Asparukhov, chief of the National Intelligence Service, by Maksim Mayer, place

and date not given: "Spy No. 1: '10 November Did Not Chase Away From Bulgaria Even a Single Foreign Service Resident'"]

[Text] [Mayer] General, did the foreign intelligence services withdraw their agents from Bulgaria after 10 November 1989?

[Asparukhov] You should direct your question about the foreign agents in Bulgaria to the National Security Service. The National Intelligence Service has no functions on the territory of the country. As far as the issue of professional spies of other countries working in Bulgaria is concerned, I think they have not been recalled. On the contrary, now they have better opportunities in our country.

[Mayer] Do the other countries' intelligence services have the same problems as our services?

[Asparukhov] A negative attitude toward the special services has been formed in some Western countries. People want to curb their activity, cut their budget, and even close them down. An opinion has been formed that, after the disintegration of the former socialist camp and the elimination of the ideological borders, there is no reason for the existence of the services. This is wrong and irresponsible. Precisely now, when people can move freely, the danger of organized crime, terrorism, and drug trafficking is growing. Who except the intelligence services can combat them effectively? In this area, I see a complete identity of the tasks of the various countries' intelligence services, as well as possibilities of immediate cooperation. However, each country has its own national interests and the right to work for them and protect them.

[Mayer] Is the drug mafia especially interested in Bulgaria?

[Asparukhov] Bulgaria is an important transit road from the Middle East to Europe. Some of the drugs pass through our country. It is normal for the drug traffickers to strive to construct bases in Bulgaria and put their people into positions so that they can service the channels to Europe.

The problem is not catching the drugs but tracing the producer, and then the entire network. A single intelligence service cannot do this.

[Mayer] Minister Kostov cut the budget of the National Intelligence Service by one-third. Do you have any information about the resources available to other countries' special services?

[Asparukhov] The truth of the matter is that the budget was not cut by Minister Kostov but, rather, by the National Assembly Budget Commission. In 1992, the Turkish Intelligence Service (MIT) was allocated approximately \$113 million, the Greek services approximately \$25 million, and the Romanians approximately \$8.5 million.

Similar comparisons are always subject to qualifications. After all, the special services of the various countries perform different tasks under different conditions. However, the 1992 budget of the National Intelligence Service is significantly under \$3 million—almost equal to the budget of a mediocre soccer club from the first league, as some of your colleagues managed to put it. It is not a sin to use the taxpayers' money for the protection of national interests, the country's security, and the struggle against the drug trade and terrorism.

[Mayer] Bulgaria has frequently been linked to terrorist acts in the recent past. Are we threatened by various actions with foreign participation in our country?

[Asparukhov] The role of the intelligence service is to collect information abroad about terrorist acts that are planned not only against Bulgaria but also against other countries.

Terrorism could not exist without funding. Therefore, the role of the intelligence service members is to reveal who finances the various operations. There is great danger of a symbiosis of the drug mafia and terrorism. It is not ideology or political goals but rather common interests that prompt the struggle against this symbiosis.

[Mayer] Is it possible to replace foreign political intelligence by economic espionage?

[Asparukhov] The intelligence services can and must obtain reliable economic information through unconventional channels, analyze and draw general conclusions from the collected data, and submit all this to the government. In this way, we assist the government in adopting decisions.

In March, the so-called scientific-technical spying was closed down. It dealt with acquiring technologies and know-how. It was created as a defensive reaction on the part of our country, with a view to overcoming the embargo imposed by the West during the cold war. Obtaining economic information is rather different from stealing technology.

The Bulgarian Intelligence Service has some experience in collecting economic information. At the end of the 1970's and the beginning of the 1980's, the secret services' structure included a special economic department that was envied by even the KGB.

[Mayer] Do you have information about red money-laundering operations abroad? Recently, people have been saying that this should be the basic task of the National Intelligence Service.

[Asparukhov] I am convinced that money has been exported and companies created, some with the participation of former colleagues of ours. They return to Bulgaria with the laundered money and invest it. Perhaps they plan to be the main actors in the privatization. The Intelligence Service could help with information about those money-laundering operations, as you call them. However, the basic and most important work

must be implemented by the Chief Prosecutor's Office. The question of whether this money—red, black, whatever color it is—could again return to Bulgaria is a different issue.

I think that Bulgaria should approach the governments of several European countries and ask them to cooperate in revealing the money-laundering operations.

Chief Toxicologist Lists Chemical Accidents

92BA0695A Sofia BULGARSKA ARMIYA in Bulgarian
26 Feb 92 p 2

[Article by Georgi Vuchev based on statements by Colonel Nikola Aleksandrov, chief toxicologist of the Bulgarian Army: "In the 'Dead Zone'"—first paragraph is BULGARSKA ARMIYA introduction]

[Text] The total number of victims in the 10 large chemical accidents that took place in Bulgaria during the period 1981-90 adds up to more than 2,000 people.

In six out of the 10 chemical accidents, the total number of victims for each catastrophe is under 100, while, in the remaining four, it is over 100, asserts Colonel Lecturer Nikola Aleksandrov, M.D., chief toxicologist of the Bulgarian Army and chief expert on toxicology in the Republic.

18 May 1981: The chemical catastrophe in Veliko Turnovo is a result of criminal incompetence and carelessness in using the highly toxic chemical compound tetrachloromethane as a solvent in cleaning work buildings and in using military personnel as workers. Fifty persons were victims of this mass poisoning. The patients treated in the hospital manifested symptoms to different degrees, forming five basic syndromes—toxic injury to the nervous system, the liver and the kidneys, the stomach-intestinal tract, the respiratory passages and the lungs, and the cardiovascular system.

20 March 1984: The largest chemical catastrophe in our country up to the end of the last decade with respect to the total number of victims took place at the Alen Mak factory in Plovdiv. It was the result of a combination of the poor training of the relief personnel, which led to a fire; negligence on the part of the management personnel; and no-less-criminal incompetence of officials from different government and social agencies, including the Ministry of National Defense, the Ministry of Internal Affairs (Fire Prevention), Civil Defense, and other units. This led to 918 people becoming involved with the toxic processes, although initially there were just 56 victims! Five persons died.

4 June 1986: The greatest domestic poisoning in our country during the period specified took place in Troyan. The carbamate pesticide Sevin, derived from carbamic acid, is a typical anticholinesterase poison (finding application in agriculture and as a probable component of military toxins). The reasons for this poisoning have not been fully explained to this day (!?); the version that a

criminal offense developed into a chemical catastrophe by accident is a likely explanation. The number of victims is nearly 60 (two died).

1 November 1986: The largest chemical catastrophe with respect to the number of human casualties and material losses took place in Devnya at Polyvinylchloride Plant No. 2. It was the result of negligence in planned preventative and basic repairs, and the specific cause was an explosion of a suspension of vinylchloride and water. Altogether, there were some 70 victims; seventeen died on the site, and another third after they went for hospital treatment.

11 February 1986: A fire began in a public building in Shumen (probably as a diversionary action). The victims numbered almost 90 people. Three of the four people who perished died from combined injuries—physical, thermal, and chemical trauma.

1 May 1988: In Sofia in the old air-raid shelters from World War II in the Zemlyane neighborhood, Krasno Selo township, there was a fire (probably caused by diversionary activity), the casualties from which make this catastrophe the greatest with respect to the number of victims and the sociopolitical tension. The victims were 410 people, but the special feature of the case was the large number of secondary victims—361 in all—caused by the delay in continuing for 15 days the removal of the remaining toxic products from the fire by the Civil Defense units, and its actual continuation around the clock!

19 July 1988: The Botevgrad chemical catastrophe is due to the lack of order and discipline in storing raw materials and prepared chemical products in the warehouses of the chemical works in the city. Of a total of 51 victims, 41 were military personnel.

18 May 1988: In Kazanluk, a large amount of nitric acid—close to 100 tons—leaked out and spilled in the military plants of the Arsenal company. A cloud of nitric oxide 20 km long and 4-5 km wide, extending along the course of the Tundzha River, was formed as a result of the acid combining with the water from the water vapor of the air.

BULGARSKA ARMIYA does not intend to scare the national population in the "cuckoo" style. However, the causes disclosed and information about the chemical catastrophes in the country provide sufficient grounds for reflection and practical steps because, as Col. Lecturer Aleksandrov maintains, the toxicological organization that exists in our country in the new conditions is ineffective and unreliable.

Views of Kazakh Business Representative in Plovdiv

92BA0699A Sofia ANTENI in Bulgarian 26 Feb 92 p 5

[Interview with Anatoliy Sankhenovich Tsoi, Plovdiv representative of the Kazakh Kramds Company, by Lilyana Chavdarova; place and date not given: "Why Didn't the Kazakhs Become Shaykhs?"]

[Text]

Kramds: A Look on the Inside

For the business circles in our country, the Kazakhstan industrial-financial company Kramds does not need a special introduction. It was created in 1988 on the basis of an idea of the current president of the Republic, Nursultan Nazarbaev, as an alternative association of private contractors in counterbalance to the bureaucratic structures in the economy. The basic objective activity is commercial—mutually advantageous import and export of commodities, raw materials, materials, investment activity, the building of joint cooperative enterprises with foreigners, the introduction of information technology into business, and so forth. Its rapid growth is giving rise to an apparent danger from the creation of a new monopoly and its reembodyment of "a state within a state." For this reason, in 1991 it was broken down into 20 independent self-supporting associations, with their own management. The coordination activity is carried out by Kramds-Bank and the company management headed by President Viktor Tyo, one of the economic experts in Nazarbaev's team.

The structure is modeled on similar companies in France, Italy, and South Korea. The basic goal "activity in the name of man" is not taken from concepts of our ideological lexicon, but from the ideas put into practice by the South Korean Gold Star Company. One more thing, characteristic of the philosophy of Kramds: The only way to be worthy partners of powerful foreign companies is to be as powerful, capable, and profitable. It has its offices in 26 cities in the former Soviet republics, as well as in a number of countries abroad: Japan, Singapore, South Korea, Italy, Turkey, and Bulgaria. Kramds-Bank has 14 departments, with an annual turnover of 3.5 billion rubles.

It has become a common thing for us to receive alarming information from the territory of the former Soviet Union. Unfortunately, the good news that slips in among it remains unnoticed. Thus, the categorical recommendation of the Security Council for accepting Kazakhstan into the UN was lost in the general flow of information, and the mandatory commentary columns in the case of such events were absent. The guarantee of safety from the nuclear installations, without underestimating them in the least, was not the only prerequisite for accepting Kazakhstan into the UN. Probably there was something else, but what is it?!

A look at the internal policy, insofar as our resources allow, will bring us closer to the truth, we hope. The president of the office of the Kazakhstan industrial-financial company Kramds in Plovdiv, Mr. Anatoliy Sankhenovich Tsoi, was so kind as to answer our questions.

[Chavdarova] Mr. Tsoi, some Western experts predict that not more than three or four years are necessary for your economy to be brought up to world level. Is this time frame realistic?

[Tsoi] Judge for yourselves: On the territory of Kazakhstan there are raw materials—the entire periodic table. And I am not talking about the Tangiz oil field, the reserves of which exceed those of Kuwait and the Persian Gulf. We have enormous metallurgical and oil-refining plants. When I say “enormous,” consider more than 30,000 workers each. All types of your agricultural products also are produced in our country. We are world-class producers of cotton. Recently, our lead received the highest distinction, a “Gold Medal,” at the exhibition in Canada. May I add phosphorus, gold, and silver? I cannot forget one Japanese man, who, when he saw our coal, scooped it into his hands like jewels and turned to the sky with the words: “My God, what wealth!” What we lack is modern technology. We did not succeed in extinguishing the flame of one oil well for a whole year until the Americans helped us.

[Chavdarova] Why did Bulgaria draw the attention of your company, and, precisely, why is your agency in Plovdiv?

[Tsoi] Your country has an exceptional geographic location—it is a natural bridge that connects Europe with Central and East Asia. You have good industrial potential and modern equipment, but you lack raw materials, which we can now supply to you. We are in a position to invest in joint businesses. It is very advantageous for us to create a cooperative production of baby food, for example, precisely here among the vegetable gardens instead of in our semidesert regions. But why the office in Plovdiv? The International Plovdiv Fair is here, the city is a center of industrial and agricultural production. The original idea was to open up in Budapest, but my arguments won out. No less important is the fact that I am married to a native of Plovdiv, and it was time to return to her family. However, very soon offices of Kramds will be opened both in Sofia and in Varna.

[Chavdarova] What kind of businessmen are the Bulgarians?

[Tsoi] They can be magnificent partners for us, but the basic thing the business world here lacks is information—the advantage from the offers we are proposing. This can be explained: Until recently, everything was directed from Moscow. Perhaps you may think I am exaggerating, but one time your producer asked me if the Kazakhs wear shoes. How could I answer him? If our oil in the so-called socialist economy was sold at world market prices, today, without exaggeration, the Kazakhs would be shaykhs and richer than the Kuwaitis.

[Chavdarova] You say that information is lacking, but why did no one understand that it was precisely your company that provided the fuel oil for Plovdiv a year ago, during the energy crisis? You were interested in at least saying it....

[Tsoi] In my opinion, business should not be used for political purposes. The opposition in Plovdiv at that time was so strong that one or another political force surely would take advantage of such information. I don't want to boast that I delivered fuel oil for the citizens of Plovdiv. The truth is that this was a very profitable deal. And, at the time, we imported approximately 15,000 tons of fuel oil. We are in a position to expand this import to other regions of the country, even if we are speaking about millions of tons; this is nothing for us. Politics has to be outside of business. One of our directors in the company says: “The cook may be controlled by the state, but the business—only by businessmen.”

[Chavdarova] You don't want business to be mixed with politics, but one of the local newspapers called you almost a company of the BSP [Bulgarian Socialist Party]....

[Tsoi] Unfortunately, this kind of cheap journalistic trick is now fashionable in your country. So much the worse for the editors who make use of such practices because the time will pass even for that. Four persons work in our office (president, manager, secretary, and chauffeur), and we are here only because our company has manifested an enviable perspicacity for the possibilities for business with Bulgaria. Was it not perspicacity that we registered here in your country precisely on 10 November 1989, the same day the changes in your country took place.

In my opinion, it will be a complete revolution for Bulgaria if it is gasified. Can you imagine the advantage for the private greenhouse producers, the comforts in the houses, the utility buildings, and the private farms! For the first time, we presented the offer to the Plovdiv township to begin with the gasification of the whole city, including urban transportation and the towns along the route of the gas line. This “museum in the open,” such as Plovdiv is, will be able in the future to attract its tourists not only with its archaeological and architectural monuments, but also with its ecological problems solved. Our offer is up to the township; we have guaranteed its financing. We are only waiting for the final answer in order to begin. [Chavdarova] In transporting commodities, aren't you afraid of the mafia, known by the nickname “rackets”?

[Tsoi] Unfortunately, in crisis conditions, the mafiosi flourish. This was manifested not only on the territory of the former Soviet Union but also even in Germany and Poland.... The greatest drawback of Kazakhstan is that there is no outlet to the sea. Goods are shipped through

Georgia, Ukraine, Caucasia, and the Black Sea. This route is dangerous and risky at the present time. At the moment, we are seeking new, more guaranteed routes—through Iran and Turkey, for example; but, even if it is costly, we will transport some of the goods with airplanes. I ask our salesmen why there are no Bulgarian goods, fearing that they were lost on the way. They answer me: What are one or two trucks for us? We unloaded them on the counters, the people lined up, and they finished in just an hour. Kazakhstan is 20 times larger than Bulgaria. You, yourself, understand that anything imported is just a drop in the sea. But, on the other hand, our experts are categorical: The Bulgarian goods (shoes, clothing, food) are of much higher quality than the Turkish and Arabic goods, for example. Our consumers know well the furs of Pulpudeva, the shoes of Rekord (Gabrovo), the trucks of Balkankar, your wood products, agricultural machines, and so forth.

[Chavdarova] As far as I have learned, Kramds is not indifferent to the Great Silk Route....

[Tsoi] The ancient silk trade route from China and India, which passes through our country and is under the protection of UNESCO, was almost abandoned. After a scientific expedition from the United States, Japan, and Kazakhstan, it was decided that it should be restored. Of course, camel caravans will not travel along it, but the small inns from that time will be restored, as will the passability in several places in order to make a unique experience for all who will see the glorious nature, will become acquainted with the authentic local culture, and will be enchanted by the exotic nature of this truly Great Silk Route. We have relied not only on Austrian and Swiss companies, but also on Bulgarian companies for the restoration work.

[Chavdarova] Were you surprised about the categorical recommendation of the Security Council for admission of Kazakhstan into the UN?

[Tsoi] Only those who do not know us could be surprised. For explicable reasons, the informational darkness was especially thick for the Asiatic republics. In my opinion, this exists to this day by inertia. The greatest achievement for Kazakhstan is the fact that civil peace was preserved during this change. Notice: This took place in the presence of 120 nationalities! The miracle of our national agreement was not achieved with the assistance of "the heavy hand," as some naively explain it, but with a large dose of wisdom, farsightedness, and observation of the local traditions. For example, I am of Korean origin, but I do not remember either in school, or in the street, or in social places having been affected by the feeling of what nationalities are. For us, this is an unacceptable scandal. We are free to profess Islam, Christianity, Buddhism, or Catholicism. Something more—we well understand the features of each of these cultures, moral systems, and rituals, which not only do not divide us but also unite and enrich us. Today you can belong to whatever party you wish, in opposition or governing. I am not a party member, but I cannot but mention the tranquillity the repeated appeal of President Nazarbaev to the deputies in the parliament and to all citizens introduces into our whole society: no persecution because of party affiliation, no discrimination toward people who were members of the former Communist Party of the Soviet Union; the only criterion for work is professionalism. And these are not empty words; a bygone drama was not followed by a new, more terrible tragedy, such as befell our neighbors. Of course, some of the former leaders with proven capital crimes and improper use of power received punishment. We enjoy relative tranquillity, have some security, have no apprehension (especially for goods that weigh down the shelves), and—I assume that it is of interest to you—the old people and the pensioners are not socially weak. However, this is our traditional pride, and it needs the commentary of a competent expert.

Klepac Against Unitary State, for Slovak Identity

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6 Apr 92 pp 6-7

[Interview with Jan Klepac, chairman of the Slovak Christian Democratic Movement, by Luboř Mestánek; place and date not given: "Nothing More but Nothing Less"]

[Text] [Mestánek] In what stage of its national emancipation does Slovakia find itself today, and how do you assess its options among individual alternatives of the constitutional system?

[Klepac] I think that the time has come when Slovakia must crown the process of its political self-realization. I am convinced that Slovakia will do so in a peaceful and constitutional manner. The Slovaks do not want anything more than their neighbor nations, but neither they not want anything less than that. They wish to be an honorable and dignified partner of other European nations. However, the way of petitions, national interpellations and self-deceiving negotiations is, I believe, already behind us. We cannot follow that road. As far as that issue is concerned, one and one-half years ago the KDH [Christian Democratic Movement] already clearly stated that we do not want to break our common state apart, but neither do we want to maintain it at the cost of unbearable, disadvantageous concessions.

In the current stage of development on the European continent a unitary state would in fact mean the liquidation of the Slovak national minority. A couple of years after its birth, the idea of the so-called Czechoslovak nation could again be resurrected. During the recent signing of the treaty with Germany our president "slipped" twice when he referred to the Czechoslovak nation. This in fact would frustrate the Slovak people and lead to the loss of all values stemming from our national phenomenon. I do not think that this would be an excellent solution even in the economic area. From the viewpoint of economy, Slovakia has been developed over 70 years as a supplement of the more advanced Czech economy which is geared to final production, and a unitary state would mean that structural changes in Slovakia's economy would probably not take place and that Slovakia would remain divided and subjugated. It would be a source of cheap labor, and become the headquarters of enterprises that are power and material intensive and ecologically harmful. Furthermore, Slovakia would obtain only part of what it can earn if it controls its own economy.

The so-called catastrophic scenario, in other words, an economic projection for Slovakia after the separation of the common state, was presented to the November plenum of the SNR [Slovak National Council]. It indicated that in case of its separation, Slovakia would have a deficit of more than 15 billion korunas [Kcs]. However, the flexibility or "leeway" of accuracy with which this scenario was drafted and of the values it quotes are plus-minus 100 hundred percent. For instance, in the

KDH [Christian Democratic Movement] economic club we calculated that it could amount to about Kcs6 billion, but we could set it at Kcs28 billion as well. In other words, those are certain hypotheses proceeding from some assumptions that render this whole calculation inaccurate. Nonetheless, it is a fact that if we firmly fulfill the intentions of the alternate economic program of the KDH (before the split of that movement—author's note) whose fundamental slogan is "Where there is responsibility for the economy, there must exist also economic tools for its management and control," then all inputs would have to go into Slovakia's budget, and a confederative budget would be created here. This would mean that all inputs would have to be used in the place where they are produced; for example, all income from the transit gasoline and from all factories located in Slovakia whose headquarters are in Bohemia would remain in Slovakia. Naturally, Slovakia would have to finance the Gabčíkovo and Mochovce projects, the conversion program for the arms industry, and so on, but Slovakia must provide the financing for Gabčíkovo or Mochovce anyway. Slovakia has no other economic option except to stand on its own feet.

[Mestánek] Nevertheless, your ideological opponents, particularly those from the ranks of the ODU-VPN [Civic Democratic Union-Public Against Violence], assert that if the HZDS [Movement for Democratic Slovakia], the SNS [Slovak National Party], and others—and in this context they mention you as well—win the elections, there is in fact a danger that the economic reform, which is the only one that can introduce essential parameters for our market, may be rejected. Is it really your intention to depart from the reform?

[Klepac] Not at all. The economic reform must be tailored to Slovakia's situation. That involves no departure from the reform or even—as they say—restoration of socialist management and other such nonsense. Our objective is to proceed from the actual situation of Slovakia, to replace restrictive budgetary policies with a program for development, to take advantage of opportunities available in Slovakia, and to integrate them into overall innovation and restructuring of our national economy, particularly by converting it to final production. That way we will enhance the value to unfinished goods Slovakia's economy is now producing. If Slovakia opens itself to the world, if its economy is rational and if it attracts foreign capital, then our future as I see it looks far from bleak. If many people with good reason maintain that foreign capital is not flowing in adequately because of the political instability of our constitutional system, then it should be noted that today its agony leads to greater distress than if two states were proclaimed here tomorrow.

As to speculations on the topic of future coalitions—it is difficult to discuss it before the elections. Rather, it is a kind of a bogeyman used by the ODU-VPN; every criticism, whether it concerns the privatization process or economic strategies—particularly if backed by that party's members in the government—is immediately

interpreted as some socialist deviation. It is interesting, however, that to this day no one has explained to our nation how is it possible that in his projections for 1991 the great strategist V. Klaus miscalculated by 100 percent here and even more there. This applies, for instance, to his prognosis of the decline of our gross national product and industrial production, the growth rate of unemployment, and the price index, and so on, and all that against a scenario which he himself had submitted. Today in Slovakia 70 percent of organizations in the sector of economy alone are insolvent even after cancellation of debts. The only possible solution today is by mechanisms of the nonexistent Slovak National Bank as an independent entity. Of course, it is a huge complex of problems, but I am convinced that it is in Slovakia's power to resolve its economic problems as well. On the contrary, all those who allege that Slovakia will be unable to do so or that an economic collapse will take place here mislead this nation.

[Mestanek] What in fact is Slovakia's status from the point of view of international laws? In this context, while viewing the "For and Against" television program I was intrigued by the controversy between you on the one hand, and J. Carnogursky and P. Tatar on the other. Due to time limitations on that occasion you actually were not able to bring your dispute to a conclusion.

[Klepac] From the point of view of international laws, the current CSFR is a unitary state. According to international laws only the federation—in other words, the CSFR—is an entity. It alone is a member of the UN and that is how the world views it. However, the CSFR is a pluralistic state and as such, according to international laws it may also establish its subjectivity as a pluralistic state. Pursuant to international laws subjectivity is one of the main attributes of every nation's sovereignty. Its bearers are the nation and the state. In fact, in October 1968, when the Czech and Slovak statehood was affirmed by the constitution, both republics officially gained international subjectivity. It is another matter that it was 100 percent abandoned—I am afraid, not voluntarily—in favor of the common state.

We joined the debate concerning the constitution with the intention to change this situation radically, and to create a situation where the republics themselves can strive for some recognition in terms of international laws. Here I should like to mention decisions which were presented to the U.N. General Assembly by the Commission for International Law in 1974 and furthermore, which authorized members of federations to conclude international treaties and also assume the so called international personality. We wanted to establish a kind of a framework within the treaty, whereby Slovakia could gradually gain authority and strive to be recognized according to international laws. In a paragraph on foreign policy we proposed a formulation with very hopeful rationale, with which even ministers Dienstbier, Demes, and Hradská in Papiernický agreed. After the return from Milovy this very promising formulation was considerably altered. As compared with our proposal, it

fundamentally differs in that foreign policy both in the legislative and administrative areas returns to the exclusive authority of the common state. In practice, this would mean that in foreign policy Slovakia's diplomacy and Slovak representatives could not promote anything without the blessing of federal agencies. As an example let us mention agreements on association, where the Slovak government wanted to ensure that the republics would implement those agreements. The issue in question was to make Slovakia and Bohemia more visible as entities. However, the Federal Government stopped it harshly; it was not entered even in the preamble of the Milovy agreement. Or: How are Slovakia's interests ensured by the new Czechoslovak-German treaty? I am extremely apprehensive about what may happen during negotiations about the Czechoslovak-Hungarian treaty.

It may be true that following the above-mentioned formulation, the Milovy agreement contains a paragraph which states that this does not affect the right of the Czech Republic and of the Slovak Republic to establish foreign relations. However, there are three more serious precautionary clauses in effect absolutely limiting this formulation which also sounds quite promising. One of them states that this must be in agreement with the foreign policy of the common state; the next one, that this may involve only areas of the republic's authority, such as culture, the educational system, or industry, and the third, that the parliament of the common state enact a subsequent law to coordinate the state's foreign policy with the interests of the republics. It is a classic example of the way our state was built from the top down, i.e., the republics can have only what the Federal Government grants them. In principle, this contradicts the initial program for the building of our common state from the bottom up.

[Mestanek] In terms of international laws, can the Slovak Republic be sovereign in the common state?

[Klepac] This is a serious conceptual problem. Some lawyers maintain that a common state may be only unitary or federative, while others assert that a confederation is also a common state; however, the former allege that confederation is a union. Neither the current constitution nor international laws prevent subjectivity from being built as a pluralistic entity from the point of view of international laws. This interpretation is promoted by several experts, for instance, by Mr. Vrsansky from the Ministry for International Relations of the Slovak Republic, or by Mrs. Straznicka who presented an interesting contribution on this topic at the well-known seminar in Oxford.

[Mestanek] One of your arguments against the formulation of the Milovy agreement is the use of the term "the people of the Slovak Republic and of the Czech Republic" as subjects of the agreement. What are your grounds for that?

[Klepac] Even if we disregard the legal aspect of this concept which I discussed on a number of occasions, this

would look to me as if a director of the Volkswagen company would want to conclude a contract not with the BAZ company of Bratislava or its management or its director, but a contract between the employees of Volkswagen and the employees of the BAZ.

Weiss on Preelection, Postelection Cooperation

*AU2704062092 Bratislava NARODNA OBRODA
in Slovak 18 Apr 92 pp 1, 3*

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Julius Gembicky; place and date not given: "We Are Not Whipping Boys"]

[Text] Party of the Democratic Left [SDL] Chairman Peter Weiss was the second confessor to take part in our six preelection interviews with the leaders of the opposition parties and movements during their Danube cruise on the Družba involving politicians, journalists, and artists. The SDL is a party that, during the course of this electoral period, has rid itself of its former Communist Party of Slovakia [KSS] tag and has withdrawn from the Communist Party of Bohemia and Moravia [KSCM] and KSS Federation. This is a party that has set before itself the task of being a new kind of party on the left of the political spectrum, a party seeking social democratic-type perspectives, but a party to which many people still ascribe the attribute "postcommunist."

[Gembicky] The Slovak social democrats are not only counting on you, but also on the Movement for a Democratic Slovakia [HZDS], for postelection cooperation. Is such a coalition conglomeration realistic and acceptable to you, Mr. Chairman?

[Weiss] In politics everything is possible. It depends on the political mood and the extent to which policy principles are adhered to. However, we should refrain from considerations of what the situation will be after the elections. Therefore, as opposed to other politicians, I have avoided making statements on whom we will or will not enter into a coalition with. There are certain political parties to the right of center so far removed from us from a policy point of view that we would lose face if we were to simply begin negotiations with them on a coalition without preliminary conditions. However, a pragmatic cooperative bloc composed of a broader spectrum of political forces could also be formed in the interest of bringing Slovak society out of crisis. I personally do not support the idea that a single movement should have more than 50 percent of the vote plus the only voice. I think no single movement or party will be able to pull this society out of crisis.

[Gembicky] As far as the plan for the constitutional and legal arrangement is concerned, the SDL has found itself in the role of whipping boy, in spite of being closest to the plan the Christian Democratic Movement [KDH] is asserting in the state-forming process. Despite this, the Christian Democrats' Trnava assembly rejected a postelection coalition with you. An offer of pragmatic cooperation, it seems, has not been ruled out. In your opinion, is this

because of the closeness of the two constitutional and legal plans or is it a prediction of the postelection positions on Slovakia's political chessboard?

[Weiss] I do not think the SDL would come close to the KDH's constitutional and legal program. It was not the SDL that vacillated in the constitutional and legal arrangement issue, but the KDH. This situation, obviously, arose from the fact that it was—and is—confronted with the real proportion of political forces in the government coalition and on the Czech political scene. At any rate, however, the Slovak Government coalition has found itself in ever greater political isolation because it has lost its political allies. Whenever someone is trying to save himself, he makes and accepts political concessions. Thus, when voting on the federal laws submitted by the Czech right-wing part of the Federal Government, the KDH and the Civic Democratic Union [ODU] were a little too willing to accommodate their partners in the Civic Democratic Party [ODS] and the Civic Democratic Alliance [ODA].

[Gembicky] Do you think they have finally forfeited their political credentials, credentials with which they could have asserted their original policy aims in the constitutional and legal arrangement?

[Weiss] This is the political truth. If we are placed in the position of some kind of whipping boy—although we do not feel ourselves to be such—then this is as a result of the fact that for two years we have been formulating our own policy. In view of our position in the opposition and the actual proportion of forces, we have been unable to push them into political practice effectively enough, while everyone around us has ended up somewhere different from where they originally started. I mean in particular the ODU's slithering to the defense of the current bureaucratized centralist federation, which it makes out to be—not surprisingly—the only model for coexistence with the Czech Republic. On the other hand, there are those Slovak politicians who know how to easily fill with enthusiasm and captivate part of the population, but who pay less attention to an offer of specific political steps that should lead toward the implementation of their constitutional and legal ideals. That means toward Slovakia's independence. I repeat, I am not in favor of those who want an independent Slovakia being labelled madmen or criminals, because their view is just as legitimate as the view of those Slovak politicians who think it would be best to abolish the national councils and to establish a single joint Czechoslovak state without a hyphen and with a single government and a single parliament. The issue always is for all such steps to have their own logic and be backed up by economic and foreign policy considerations. It would, perhaps, then be possible to move from empty concepts and from sacrosanct tirades—whether for a common state without exception, or for a common state without an attribute, as the ODU is pushing for, or for an independent Slovakia without an attribute—toward actual political considerations. This would at last benefit Slovak politics.

[Gembicky] That is the reality today, the reality a couple of weeks before the elections. However, what if the postelection period gives rise to a coalition of nationalist-oriented parties—I mean the HZDS, the Slovak Nationalist Party, and the Slovak Christian Democratic Movement [SKDH]—and you find yourselves in the opposition, perhaps with the KDH, and you are forced, from a pragmatic point of view, obviously, to cooperate with them?

[Weiss] We have formulated our own policy in the opposition, and only in specific cases have we voted ad hoc with the other political parties. This was not because we came to an agreement, but because we had, by coincidence, the same opinion on a specific matter or because our common interests overlapped. I do not discount the possibility that such a situation could arise after the elections, but, under these circumstances, we will formulate the same policy we have been formulating up to now; that is, a rational policy based on a precise analysis of the proportion of political forces and of the real impact of political measures not only on our party, but also on the citizens of Slovakia.

[Gembicky] Do you discount, then, the possibility of a discreet agreement in the current opposition? For example, your support for certain HZDS proposals?

[Weiss] I think it is incorrect to exclude the possibility of a coalition in advance and that it is not good to absolutely reject any possibility of cooperation in advance. Our decision will depend on the specific programs of the political parties that come up with such an offer and also on the sincerity and credibility of the politicians who make such offers.

[Gembicky] Why are you a less acceptable partner for the Social Democratic Party of Slovakia [SDSS] since the arrival of Alexander Dubcek than you were when Boris Zala was chairman?

[Weiss] I think Dubcek's arrival in the SDSS has changed nothing in their or our mutual conduct. So, you should ask Alexander Dubcek this question (laughter).

[Gembicky] In what way does your party's program concur with the HZDS' policy concept?

[Weiss] So far, I have only received a copy of the HZDS' "Ten Commandments." I have not had an opportunity to study their program. I think we have in common the conviction that it is necessary to continue economic transformation, but in a different way, in a way that would be socially more tolerable, and that it is necessary to halt the sharp decline in production and to revive our economy.

[Gembicky] Are you prepared to form your own cabinet and look for a suitable coalition partner if there is an election shock and you are the unexpected victor in the elections?

[Weiss] I think every proper political party has to be prepared for such a possibility. However, I feel that

Slovakia would require an as broad as possible coalition of political parties that would be united not only by concurrence among their political programs, but also by strong will and the ability to work objectively. However, at the same time, they should also manifest profound social feeling, because the economists that have entered politics very often forget they are not conducting their transformation experiments on paper, but on real people.

SNS Chairman Comments on Party's Prospects

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in Slovak 23 Apr 92 pp 1, 6

[Interview with Jozef Prokes, Slovak National Party chairman, by Julius Gembicky; place and date not given: "A Five-Question Referendum Is Nonsense"]

[Excerpts] [passage omitted] [Gembicky] Would your party be willing to accept a model of a common state, let us say, consisting of two equal republics, according to the wish of the majority of the Slovaks

[Prokes] As far as accepting such a model is concerned, I must say that the Slovak National Party [SNS] is basically a democratic party who recognizes parliamentary decisions. This means that in such a case we would respect the decision of the majority. Yet, we would still be pushing for our principles, while explaining that the road to Slovakia's further development can be embarked upon only if Slovakia itself is able to make its own decisions and bear responsibility. We must not see an enemy in anyone, home or abroad, but we must ourselves solve the problems we are facing. [passage omitted]

[Gembicky] Mr. Prokes, now, shortly before the elections, the SNS disintegration is very often discussed. There is one obvious thing that political observers have noticed: Former SNS deputies have joined the Slovak Christian Democratic Movement [SKDH]. This migration is reportedly continuing on the lower level of membership, in the districts. Reportedly, there are trends against you adopted by the party radicals. What is true about it?

[Prokes] It is true that some of our deputies have joined the SKDH. They are mostly those on whom the SNS did not count for the upcoming elections. Openly speaking, each of our deputies is capable of managing his own affairs. This means, that each was not and is not bound by any kind of party discipline, and each can make his own decisions. As for the members, we know about several who joined the SKDH. We know nothing about entire districts who would join the SKDH. By the way, we have not only district, but also local organizations. They form some sort of a district council, which has a coordinating role.

[Gembicky] The Presov district has been mentioned several times....

[Prokes] We have always had problems in this district. Some people joined the Party of the National Unification of Slovaks [SNSS] in January. Thank God we got rid of them.

[Gembicky] What about the radical trends against you as the chairman?

[Prokes] So far, I have not observed anything like that. A positive policy cannot be implemented by using force, but by reaching consensus. Maybe, I am not too radical in selecting means, but I am radical in the way I think and in individual ideas. This means that I have not deviated an inch from the program that the SNS adopted in 1990. I would rather go a step forward than backward. All the radicals have recognized that. As far as opposition is concerned, I am happy that it exists within the party. If an idol is established within any movement, the movement usually ends in a debacle or totalitarianism.

[Gembicky] Does that mean that you are ruling out any possibility of a putsch within your party?

[Prokes] This is absolutely excluded in our case.

[Gembicky] The adoption of the declaration on Slovak sovereignty before the elections is quite a sensitive issue, and it is a test of a possible future government coalition—the For a Democratic Slovakia Movement [HZDS] and the SKDH. What is the SNS stance on it? Do you support the SKDH in this respect? Or, are you rather inclined to adopt the HZDS tactics?

[Prokes] The SNS has been advocating one idea for the entire two years. The later [we adopt declaration of Slovakia's sovereignty], the worse for us. This is what we had in mind when we tabled the issue of the declaration of Slovakia's independence at the beginning of the 23d session—on this famous Monday—but we did not receive support from either the HZDS or the SKDH. We received support only from half of them. We are of the opinion that this step should be taken before the elections. The HZDS' attitude toward the declaration of sovereignty can be also explained as tactics. After the elections, anything may happen. As far as the five-question referendum is concerned, it is nonsense. A referendum should answer only one question—yes or no. This means that it should contain one unequivocal question, the question whether Slovakia should be independent or not. We should explain before the referendum what it actually means and what our ideas are. This does not mean that we would want to put barbed wire along the Morava River—we would be able to travel to Prague as easily as we can travel to Bratislava even after Slovakia's independence. Actually, anyone who has travelled through Western Europe has had a chance to see that sometimes there is no living body at the border crossings. Austrians travel from Salzburg to Innsbruck without realizing that they are actually crossing the border. There is no reason for Slovak citizens to have problems when crossing borders to the Czech Republic, and vice versa. It is nonsense to say that economic

relations will break off. They will always be based on the principle of mutual benefit and not on whether we are one or two countries.

[Gembicky] Mr. Prokes, to what extent do you trust your possible coalition partner, the HZDS?

[Prokes] This is a question that is very difficult to answer today. A man is valued according to his work. This may sound like a communist slogan. The HZDS is a movement involving a broad spectrum, and the question of trust is a question of stability in this movement after the elections.

[Gembicky] You are accepting your deputies' and supporters' joining the SKDH quite unemotionally. Does this signal a possible merger of the two parties in the future?

[Prokes] I would not go that far, at the moment. I am repeating what I have said before: One political party—no matter what its strength—will not be in a position to push through the declaration of sovereignty and, above all, the Slovak Republic Constitution. If Slovak-minded deputies belonging to other parties get into parliament and help achieve this goal, it will make us happy.

Anton Vavro Convinced Slovakia on Right Track

92CH0494A Prague EKONOM in Slovak
9 Apr 92 pp 16-18

[Interview with Anton Vavro, deputy prime minister of the Slovak Republic, by Marcela Zabojsnikova; place and date not given: "I Am Convinced That We Are on the Right Track"—first paragraph is EKONOM introduction]

[Text] Issues concerning our constitutional system and economy are the two most frequently debated problems of our society. We discussed the current situation of Slovakia's economy and other related topics and problems with the deputy prime minister of the government of the Slovak Republic, Anton Vavro.

[Vavro] To characterize the current situation of Slovakia's economy means to look at it from two basic points of view: One view can be measured in statistical data. There the results are unsatisfactory. However, that was expected and so it does not surprise us. The other view reflects the process of our economic restructuring, where satisfaction is warranted. I believe that in the past year or eighteen months we achieved what may be regarded as an upturn, in other words, we departed from a course on which our economy was failing, and switched to a track on which we already may anticipate our economic revitalization. Naturally, at this particular time we still are at a stage where we are slipping down; before long we shall reach the lowest point of decline when our economic development hits the bottom. That will occur within a few months and then we may have to face the most crucial period of the restructuring process.

[Zabojnikova] How do you view the relation of our economic restructuring to the constitutional process? In your opinion, how close should this connection be and where can it be loosened?

[Vavro] In fact, this is a very frequently discussed question. Of course, our constitutional system is narrowly tied to economy, but common currency is the key parameter for assessments of whether this will be a viable common state or a common state at all. If we accept now, or shall accept in the future, the premise that a common state must have common currency, then it automatically must be a common state with a common economy, common economic policies, and common economic principles as well.

[Zabojnikova] Is it possible that some measures implemented during the introduction of economic restructuring in Slovakia should have been selected more felicitously?

[Vavro] Certainly. Today we know better how to proceed and where mistakes have been made. It is a fact that individual steps or measures of our reform, which are part of the economic reform, have not been taken or are not being taken in a straightforward enough way and as aggressively as necessary. For instance, as inputs of foreign capital are concerned, there is no reason to believe that without them we can get our economy moving, modernize it or transform it. There simply are no available resources of capital for that. We cannot move forward without foreign technology and know-how. In this conjunction, if we review our program and accomplishments, we find that our situation is almost pathetic for various reasons both on our own part and on the part of our potential foreign partners, or as the case may be, for reasons that compel them to act cautiously. Therefore, the conclusion is as follows: This process must be conducted in a far more resolute, aggressive and purposeful manner. We should have determined long ago which persons we need in what place and how to get them involved in our economy. The world still does not know us well enough.

Another lost opportunity is the inadequate development of our small and medium-size businesses. There is a tendency to confuse it with something peripheral, something of a supplementary effect. However, that in essence is the still surviving, old, notorious, illogical concept that harks back to the days when futile discussions used to belabor questions such as whether small private ownership, in other words, small businesses, would not jeopardize socialism. We need a completely different concept today when small and medium-size businesses must be vigorously developed in every area. It is true that something has already been done but that is not enough.

Furthermore, I should like to mention the proexport policies or support for the focus on exports. Due to both objective and subjective reasons, our enterprises are finding it very difficult to change their direction from their previous ties to markets in the East. It is a fact that

even here the situation is not easy but proexport programs should have been introduced earlier. Although a whole number of such findings could be presented, this is nothing more than advice after the fact which may be of some use to our successors. Of course, if I speak of a more aggressive approach, the question is how our public would react to it and whether the achieved tempo does not actually depend on the capacity of the road we are taking.

[Zabojnikova] Exactly. In this context, how do you assess the extent of social tensions in Slovakia? Some time ago you said that it is necessary to proceed with great sensitivity and to balance an aggressive process of economic transformation with its social impact. What is your current definition of the line along the cutting edge of public endurance?

[Vavro] Public endurance is probably the one aspect of the reform which disturbs me the most. I am sure that it is so because I am constantly aware of the difference between a professional economist who can understand many correlations, and a man who works now or who was employed, became accustomed to a certain degree of consumption, and established a certain living standard but who now finds himself all of a sudden in a new situation. He has lost his former security and what he has gained from the transformation in the material area thus far is nothing that he was accustomed to and nothing positive. Not everybody can see all the way through to the end of the road toward which we have turned, and realize that we have avoided an economic disaster. I am sincerely convinced about that. However, how can we expect an overwhelming majority of our people to understand that if even many economists often fail to recognize this fact?

The social aspect of the reform is an especially serious issue, and politicians will be accountable for the way they deal this card. Every wrong attitude may be very dangerous for the process of our economic restructuring. I, too, am apprehensive because this problem grievously affects many people, but on the other hand, the situation is not at all as exacerbated as our media of communication often portray it. Naturally, such expressions as "on the brink of destitution" or "consumption below the poverty line" are not justified. Nevertheless, many people understand neither such correlations nor the fact that we are now paying our dues for the past when we used to live at the expense of the future. Those people may even feel betrayed.

[Zabojnikova] Nonetheless, unemployment in Slovakia is increasing. However, that is another debatable problem. Many people prefer to collect welfare instead of adapting themselves to the new situation, retraining themselves, or commuting to work. Still, I should like to ask you how does the government of the Slovak Republic deal with this issue and what solution will it adopt?

[Vavro] There is a collection of measures with the joint title "Effective Employment Policies"; there is a whole

set of mechanisms which should help provide new job opportunities. On the one hand, this system is prepared so as to apply across the board, and on the other it is adapted to individual regions where various advisory centers and other institutions are now being organized to establish and operate small and medium-size enterprises. However, that is not easy because to be a small or medium-size businessman, that does not depend on wishful thinking but on an ability to find a space, to make a go of it, and to be able to market efficiently this or that product, which is not a simple task in today's world. Moreover, with our limited opportunities it is difficult to obtain funds and credits.

However, as for the problem of unemployment per se, that same phenomenon also affects every economy in the West; no government is happy about it because unemployment is never planned. We have found ourselves in a particular predicament. In our case it is a new phenomenon which no longer stuns our public as much as used to in the beginning. It seems that our society is coming to grips with it, but a group of unemployed professionals has appeared. Undoubtedly, there are quite a few people who find themselves in stressful circumstances because of unemployment and loss of their jobs. Today Slovakia has roughly 305,000 unemployed. However, there is an apparent lack of a labor market with its necessary characteristics and factors. That provokes, and must provoke, anxiety about jobs and concern about the best possible performance, and assures employers that any less than an efficient employee may be replaced. Yet in our country, with its 12 percent unemployment rate, this mechanism does not function reliably. Why is it so, that is a question the answer to which may be that our system used to be extremely magnanimous in supporting the unemployed, that the mobility of our labor forces is limited, and that our habits from the past—to spend one's whole lifetime in one occupation and in one job—have survived.

Neither have we set in operation mechanisms that are supposed to retrain people and that are commonplace in Western economies. However, although problems with unemployed occur everywhere, there is no need to simplify or idealize these matters. In general, opposition everywhere uses the numbers of the jobless, high rates of unemployment and its incidence as a political argument. Nonetheless, I personally will not stand for any underestimation of this problem and even less so do I want to generalize that all jobless are individuals unwilling to work.

[Zabojnikova] Mr. Deputy Prime Minister, I should like to ask you whether the cancellation of debts of enterprises met your expectations?

[Vavro] I ask myself the same question. Above all, its advantage and contribution were in that enterprises no longer can blame their difficulties on their excessive indebtedness. Furthermore, its other accomplishment was that the situation of enterprises improved before the privatization process. However, in economic terms I still

cannot assess the effect of cancellations of debts in general as well as in relation to individual enterprises. Nevertheless, it must be honestly said that this huge investment—about 40 billion korunas [Kcs] for the entire federation—is nothing more than debts repaid to the past. After all, it is generally known that the former regime used a mechanism that put the highest emphasis on balanced state budgets. Thus, it impoverished the enterprise sphere from which everything was taken away and which was therefore compelled to incur debts, until it was so deep in debts that it stopped paying them. Under the burden of their own debts enterprises were forced down to their knees. It is fair to say that we used to live at the expense of the future, but now it is happening again since the Fund for National Property grants us credits at the expense of the future. That overfed future has now obtained a very obvious, overblown, and visible form, namely, cancellation of the debts of enterprises. Naturally, we cannot absolve them of their debts by merely deleting debts on both sides; all we have to do is to replace the debtor, and so the debtor now is the fund of National Property rather than the enterprises.

[Zabojnikova] Is there anything new in the matters of conversion?

[Vavro] Conversion is half a political and a half an economic problem. I think that initially it used to be overpoliticized. At the same time, each side presents different arguments and so it is difficult to make any sense of such a confusion. There is probably one sure fact: That someone in the world still needs weapons and someone else satisfies those needs. This leads to a logical question: What exactly is the reason why we of all people should not satisfy such needs? Thus, is it not right to manufacture and export arms rather than creating such harsh and difficult problems as we have brought upon ourselves?

To some extent I, too, am apprehensive about this unequivocal statement because it is not nice to make weapons; moreover, it is quite wrong to sell them, especially to certain areas. However, as this matter is concerned, my basic philosophy is that there always will be somebody who will meet such needs. It is difficult to apply magnanimity in economy, manufacture, and sale of arms without suffering serious losses. Consequently, we should think of this fact when further considering this problem, and one should sell to those who pay well.

[Zabojnikova] A few days ago, Mr. Deputy Chairman, you returned from France. Could you disclose the purpose of your trip there?

[Vavro] The French-Czech-Slovak Chamber of Commerce met in Paris. I was invited to its sessions last year and this year again. I found there considerable interest on the part of French entrepreneurs who also were invited. About two hundred of them attended. In particular, they were interested in the process of our economic restructuring. However, I was surprised by the low level

of information, especially about our privatization program. I consider it disturbing that on our part, we have not done everything to provide them with information. The French are quite displeased that German capital is penetrating particularly into the Czech Republic, but they fail to recognize the real reason, namely, that they are much too sophisticated and therefore, they cannot keep in step with the less sophisticated but far more predatory Germans. I sincerely recommended that they come to our country and get involved in entrepreneurship here; nonetheless, in my view, their interest is rather platonic. It seems that we Slovaks have something in common with the French—lots of talk and little action. The Germans are the exact opposite. In France I met also with the representatives of several banks who are planning commercial ventures in our country.

[Zabojnikova] The representatives of the Czech and Slovak American Entrepreneurship fund visited Slovakia recently. What is its purpose? What has it done thus far? What plans does it have for this year?

[Vavro] The gentlemen from the fund informed us about their achievements in the past year and about their plans for this year. One thing they stressed in particular, namely, their certain disillusionment because their fund was expected to give money away, while their only objective is to lend money at the current interest rate which the same as that of commercial banks. For that reason, this fund must be viewed as one that expands the opportunities for entrepreneurs and facilitates their access to funds, naturally, under very strict economic conditions. Its scope is limited and should not be seen as the only option. It is but one of several important components in a whole set of instruments used to support small and medium-size businesses.

[Zabojnikova] In conclusion, we should summarize all the topics covered by our conversation thus far. Could you tell me how you see the future of Slovakia's economy?

[Vavro] My projection for it is very favorable. There is no reason why Slovakia in the future should be different from any other country in West Europe. If our human qualities are no better than in many countries in the West, they certainly are not worse. Thus far we have been crushed by a certain political system and by our inability to abandon it. We are aiming toward our rightful place—among prosperous countries. It is only a question of when we shall get there, but psychics rather than economists can answer that. All prognoses based on well-founded premises agree on one thing: That this year Slovakia's economy will reach its lowest point and then an ascending trend should start next year when the results of the privatization process begin to have effect, privatized enterprises begin to operate, when the process of adaptation and management begin to advance, and interest in new investments in privatized enterprises begins to be evident. However, we must considerably accelerate the process of foreign capital inputs and the development of the small and medium-size business

sector. The synergistic effect of all these and other factors will be reflected in a more efficient economy. Furthermore, let us add that it will encourage a new awareness of our people and their confidence that we are on the right track. Our current situation is frequently very unfavorably influenced by the media of communication, but I have already mentioned that.

We cannot be satisfied with the current situation, but we can be satisfied with our economic transformation and with the fact that we have scored accomplishments in two years that earlier would have seemed completely impossible in our country. Our economy is really turning into a market economy and therefore, it is appropriate to ask whether in fact we should not feel more pride. On my recent visit in Ukraine I felt flattered by our reception there and by the respect for our accomplishments. Moreover, the Ukrainians are interested in advisers from the CSFR and from Slovakia, because they logically concluded that we could counsel them better on matters of economic restructuring than experts from the United States or other countries in the West. The world sees that we are on the right track.

Ruthenians Seek Genuine Autonomy, Writer Avers

92CH0481A Prague LISTY in Czech No 1, 92 pp 54-56

[Article by Agata Pilatova: "A Nation Young and Gifted"]

[Text] "When two Ruthenians meet, they establish three political parties," a friend from Uzhgorod told me with gentle irony. And a doctor—a highly educated woman, very active in Ruthenian issues—added: "And then they will let some fourth person make the decision for them, anyway."

Just as well that they did not mean it quite so seriously; just as well that they were both locals and were poking a bit of fun at themselves.

Perhaps in those words there sounded something of a historic echo of the prewar days, when in tiny Ruthenia there were untold numbers of parties, large and small, movements and clubs, and among them all kinds of political and nationalist squabbles. But in fact also a remarkable atmosphere of tolerance, which, according to those who remember, made it possible not only for those groupings with various points of view, but above all for nations, nationalities, people of different religious affiliations and races, to live side by side.

Perhaps those words also spoke of despair over those wasted years. For almost half a century this country has been living in unusually adverse circumstances of overt or cleverly camouflaged violence. Very rarely indeed were the inhabitants of Ruthenia asked where and how they wanted to live. Only the seventy-year-olds can remember free elections.

Especially the 45 years of the Soviet regime have left their cruel mark on the furrows of their fields, the wounded forests, the weary faces of the people. And, of course, also on their consciousness and dreams, thinking and doing. On the barren land or hills overgrown with weeds where vineyards used to be. If Gorbachev's *zastoy* [stagnation] applies perfectly to any era, then it is precisely to the total despondency of this country. On a nice white building of the Soviet oblast (which was built by the Czechs, as were, after all, most of the architecturally attractive buildings in Uzhgorod) somebody put up a plaque, where immediately in the first sentence a towering lie is chiselled in gold letters. It says that the plaque was put up in commemoration of the "reunification of Ruthenia with its native Ukraine...." When before has this tiny land ever been called Ukraine; and when did it belong to it, so that the "reunification" could be the truth?

A special sadness and a kind of inner disquiet began to pervade the country toward the end of the eighties, when the vast Soviet land began to have an inkling of the changes in the wind blowing from the Kremlin. But in Ruthenia it seemed to them—as a tourist guide told me in, I believe, 1988—that "Moscow is far away, Gorbachev too high, and here the word *perestroika* has not yet been translated."

It weighed particularly heavily on them, because the country preserved in its memory the better, that is, the Czechoslovak, times, and because they are, after all, closer to Central Europe and figuratively to "Europe" than to, for example, Kiev. And people here are industrious and hard-working, so that if they were able to—they could achieve miracles.

First Thaw

The sweet scent of spring blew in from neighboring countries. And it turned out that from Uzhgorod it is closer to Hungary and Czechoslovakia than it is to Moscow. The Ruthenians lifted their heads. Hungarians, local Germans; and the Uniates surprisingly did not forget that they have not been forever, but mostly only during those past 40 years, Eastern Orthodox. (Especially since this religious denomination was never banned in Hungary at all, and here it was made legal again already in 1968.)

As the Soviet empire is gradually falling apart, there is, of course, a real and concrete danger that it will be immediately replaced—at least for the inhabitants of Ruthenia—by an authoritarian Ukrainian nationalism. That is also the reason why political, as well as cultural, activation on the territory of today's "Subcarpathian oblast" is growing apace, gaining in strength and emphasis. For if it was important for the Soviet power to abolish the term "Ruthenian nation"—or to be more precise, the nation itself—then the term is equally unacceptable to Ukrainian nationalists. They even convene conferences of experts where Ukrainologists arrive with great authority at the conclusion: Ruthenia as a nation

does not exist. It is enough, that with clenched teeth the rights of Hungarians, Germans, Romanians, Slovaks, and other nationalities had to be gradually recognized. But Ukraine will not allow more than that to be cut off from its nationalist loaf of bread. Even so it is filled with indignation that most of the Uniates in Ruthenia converted back to their hard-won Uniate Church, which was recently officially restored.

It is not surprising, therefore, that the first item on the agenda of the Society of Carpathian Ruthenians, which came into being at the beginning of the year, was struggle for the return of their nationality. (As a point of interest: Originally this organization was to be called Society of Subcarpathian Ruthenians, but the authorities did not permit it.)

In quick succession other cultural organizations were established: so that it almost appears to be true that when two Ruthenians meet.... But this does not concern only Ruthenians, but all those who live in the region. And they have their nationalist, political, ecological, religious demands. At first they spoke up only with diffidence, in meetings and in modest written statements, in the programs of their activities, here and there also in the oblast press.

An Avalanche Is Building Up

The origin of its thunderous rumbling was in the foiled August putsch in Moscow. The loosening of the ties with the republics very quickly brought greater freedom of expression. And this time the Kremlin wind blew almost immediately also through the Carpathian forests, through the streets of cities, through the meetings of previously slow-moving and diffident clubs.

"How come the wood processing industry is in monopolistic hands and we have no control, why is our forest wealth being destroyed and where is it going, anyway?" they asked emphatically at the meeting of activists from the Society of Carpathian Ruthenians of the invited economic official of the oblast committee. "What specifically do we get from the mining of salt on the territory of this oblast?" "When will privatization begin?" The talk was about economy, but in each word, question, opinion there was an implicit political meaning. After all, for example "baron" Herc, director of that monopolistic Karpales, an influential deputy and presidential candidate, donated a large sum to the Ukrainian nationalistic Rukh for the election campaign. After all—also for example—if the Subcarpathian oblast were really made into a free enterprise zone, it would necessarily bring with it democratic freedoms, political loosening up, broader possibilities for applying human rights.

And at the conclusion of this very substantive economic meeting, the people began to dream a little: When we have autonomy or a fully free Carpathian republic, what will we be called? Carpathia? Transcarpathian Ruthenia? Let that also be decided by a referendum! they said in the end.

But let us not get ahead of ourselves.

We shall visit at least one other organization—the Hungarian KMKSZ (Hungarian Cultural Association).

There its secretary told me: "Now, after the communists have left, the cultural organizations are the only real political force; I think that they should agree among themselves on substantive, realizable political goals and combine their efforts. We are striving for a round table of nationalities that live here and their organizations; we want a dialogue, and demands will be formulated on its basis. If possible, together."

What kind of demands? "Cultural, educational, political. All of us should demand that nations and nationalities may be identified. It was made impossible not only for the Ruthenians—even though most forcefully for them—but others as well. Then together we shall demand autonomy."

That was in the middle of September.

The Roar of the Avalanche Is Already Here

Out of the discussion clubs and writing of memoranda, all of a sudden an overt, mass activity was born. People put on their caps, took up banners and flags, and went out into the streets. Chairmen pulled their writings from their pockets and began to read them out loud.

A demonstration took place in Uzhgorod—here they would rather say a gathering; a few hundred people came.

At the gathering in Mukachevo already several thousand came. Here was heard, for the first time, the demand for a sovereign Carpathian republic.

To the Moscow conference on human dimension came a rather small, but eloquent delegation of Ruthenians, and before an international forum spoke about the national, cultural, and ecological genocide of the inhabitants of the Carpathian country. Some people maybe heard here for the first time that there exists a people called Ruthenians. (We should point out, though, that representatives of the Ruthenians, or at least their problems, were literally smuggled into several international meetings already—for example, about minority problems, regional cooperation, etc.—in Strasbourg, Liblice, Stirin, during the summer of 1991.)

The Uniates in several Ruthenian towns began to negotiate, most vigorously in Uzhgorod, for the return of churches which were once theirs and which the Eastern Orthodox Church did not want to vacate. There were several personal—let us say—confrontations between members of the two religions. The Uzhgorod Municipal Council therefore made a quick and wise decision: they simply sealed up the cathedral, which was said to have been given to the Uniates by Maria Theresa. In order that there be peace. And promised that it will release it at the beginning of October, or, more accurately: It will be returned to the Uniates. They, in the meantime, have

been saying their prayers even during late autumn in the courtyard of another, one time also Uniate, church.

By 1 October the cathedral was still closed, in spite of negotiations and promises. The congregation met at a large gathering and a group of citizens began a hunger strike. There were many young people, students, among them. As a reminder, this is a country where because of historical developments freedom of religion has always been closely connected with freedom generally. And also with the existence or annihilation of a nation.

Later in October they at last opened the cathedral and returned it to the original owners.

In the meantime, the demands formulated by the Association of Carpathian Ruthenians are gaining in strength, emphasis, and specificity: recognize their right to a nationality—that is, to be a nation—and enable the people in Ruthenia to express themselves independently and freely about their own fate—that is, in a referendum. In that referendum, on 1 December last year, 78 percent of the voters in the region spoke in favor of a "self-governing territorial unit." Voting on "autonomy" for the Subcarpathian oblast was not permitted by Kiev.

Success? Only very partial; the most forward looking and progressive forces know that "within the framework of the Ukraine" the local population faces great danger. Especially if the nationalists (Rukh) win the elections, and not the democrats. After all, their attitude—toward the Ruthenians, for example—does not augur well; it sends a signal that the terror of Soviet power could be succeeded by violence in the name of extreme Ukrainian nationalism.... But at this time it was not possible to achieve more. Believe, however, that all this is the beginning of the road to freedom.

They Do Not Want Gifts or Promises

We should not be indifferent to how only a short distance beyond the line the people in Ruthenia are being treated. Within the territory which in the past was part of our republic, and where a considerable number of the inhabitants still think about Czechoslovakia. There are reasons purely economic—through Uzhgorod roads lead to possible markets further east, the country itself presents many opportunities for economic cooperation, etc., etc. But most of all there are reasons, compelling arguments really, that have to do with human rights.

Our Hungarian neighbor already found a number of effective ways not only how not to forget the Hungarian minority living in Ruthenia, but how to forge contacts with the entire country. To mutual satisfaction. From Petofi's statue standing on one of the central squares in Uzhgorod—to the recently opened Hungarian consulate. From book shipments to the establishment of joint ventures, active business contacts, mutual cultural exchanges.

Ruthenian representatives are turning also to us for moral support for their demands. They are offering

information, arguments, as well as concrete (for example, economic) proposals. They visit government offices, they hold talks with deputies. They do not want gifts or promises. They wish for regular, working contacts, understanding; it would mean much to them if our constitutional authorities would support them; the moral authority of CSFR means much in the international context.

After all—do you know what J.E. Purkyne once said about the Ruthenians? "A nation that is industrious, young, physically and intellectually gifted, is fighting for its being, and is still in the service of foreign governments; when the time of its freedom comes, it will certainly blossom and grow in a wonderful way and assume an important place in the Slavic world."

And European as well, let us add. But we must help.

Deputy Minister Outlines New Taxation System

*AU2704094292 Prague HOSPODARSKE NOVINY
in Czech 23 Apr 92 pp 1, 3*

[Interview with Federal Deputy Finance Minister Jan Klak by Anna Wurmova; place and date not given: "The New Taxes Will Not Be More Severe"]

[Text] Of the three fundamental taxation laws submitted by the CSFR Government to the 22d joint Federal Assembly session, the laws on value-added tax [VAT] and consumer tax have been approved, but the draft law on income tax has, so far, not been approved. The Federal Assembly made an absolutely clear decision on changing taxation jurisdiction.

As of 1 January 1993, customs offices will administer taxes associated with imports and a road tax. Value-added tax, consumer tax, and the fundamental taxation elements for income tax will come under the federation's jurisdiction. All other taxes will come under the republics' jurisdiction. We interviewed Federal Deputy Finance Minister Jan Klak on the overall taxation framework and on other issues concerning taxes.

[Klak] As of 1 January 1993 the overall taxation framework will consist of value-added tax, consumer tax, income tax—that is, income tax from individuals and from corporations—property tax, death duty, and gift tax, property transfer tax, road tax, and taxes that support environmental protection. In all, eight kinds of taxes.

[Wurmova] What will businessmen and corporations pay?

[Klak] This is not so simple. The first two taxes—value-added tax and consumer tax—will burden the population. As far as businessmen are concerned, these taxes are merely price markups, markups that guarantee their reproduction and have nothing to do with entrepreneurial profit. Businessmen will pay income tax applicable to juridical persons. This will tax their profits.

They will pay road tax and property tax. However, beware, these two taxes are deductible from basic income tax, so some compensation is involved here.

[Wurmova] What will the citizen pay?

[Klak] Income tax applicable to physical persons. This tax has a somewhat different structure from the tax applicable to juridical persons. This involves progressive taxation, meaning that the tax has several rates and that for annual incomes up to 1.08 million korunas [Kcs] the rate will be lower than it is for juridical persons. The government is proposing a rate of 45 percent for income tax applicable to juridical persons. This tax is graded into six bands for physical persons—15 percent on an annual income of up to Kcs60,000; 20 percent on an annual income of Kcs120,000, that is, on Kcs60,000 more; 25 percent on an annual income of Kcs180,000, that is, on a further Kcs60,000; and so on. Or, until the limit of Kcs1.08 million is reached, these rates are lower than the ones applicable to juridical persons. The government is proposing a rate of 47 percent for physical persons above this limit.

[Wurmova] Is the new income tax more severe?

[Klak] From the overall point of view, not at all. On the contrary, I think this tax will be lower, especially from the longer-term point of view. As long as our views about the population's obligatory contributions to the insurance funds are adhered to—that is, a total of 14 percent from their gross salary—then the population should not lose out on our income tax proposal.

Value-added tax and consumer tax will not be so auspicious and will be borne by the population. According to our calculations, introducing these two taxes will increase the prices level by approximately 7 percent. However, this is linked to income tax rates and a solution that would suit everyone simply does not exist.

[Wurmova] How would you characterize the new taxation system?

[Klak] As a necessary shift onto a different qualitative level. The system is in many respects economically more just. For example, introducing two rates for value-added tax—5.0 percent and 23 percent—will reduce the diffusion of taxation rates, which today hover between 0.0 percent and 40.8 percent for turnover tax. A high tax limits the marketing possibilities for certain groups of products and a zero tax, on the contrary, gives preference to the consumption of others. This distorts production and consumption. As far as income taxes are concerned, universal taxes for physical and juridical persons should finally provide the same yardstick for all.

[Wurmova] A little less than eight months are left until 1 January. What else has to be done to implement the new taxation system?

[Klak] Each taxation law to a greater or lesser extent lacks an ending, that is, republican laws on administering taxes. These laws will deal with registering taxpayers, the taxation system, appeals within the taxation system, tax statements, penalties, and fines. No taxation system can function without these things. Until we have a tax statement form ready, it is impossible to tell businessmen and citizens what in fact they have to keep track of, what they have to list, and what kind of information they have to maintain.

[Wurmova] Who will administer the taxes?

[Klak] Finance offices in the Czech Republic and tax offices in Slovakia. These have 8,000 staff members in the Czech Republic and 3,000 in Slovakia. However, technology will have to play its role. Customs organs will administer taxes associated with imports.

[Wurmova] How will the tax collection authorities compile a register of payers?

[Klak] This is another matter that should be a matter for the law on administering taxation. A form or guidelines for anyone who wants or has to register with the taxation office will be drawn up. Applying to the register will not be purely voluntary. The law on value-added tax states precisely who is obliged to declare himself. At the same time, it gives businessmen the possibility of not declaring themselves if their annual turnover does not reach a certain level. A great deal of work awaits us, especially intensive training.

[Wurmova] Will it be possible to deal with it before 1 January?

[Klak] It must be dealt with even at the cost of certain risks, shall we say, at the risk of losses. The existing taxation system has already ceased to be not only functional, but also tolerable.

Television 'Crisis,' Media Law Debated

Committee's 'Sharp' Exchange

92CH0451A Budapest NEPSZABADSAG in Hungarian
20 Mar 92 p 4

[Article by Gy. V.: "Hankiss Contra Antall, Kulin: Leadership Crisis at the T.V."]

[Text] After sharp debate, the National Assembly Cultural Affairs Committee decided yesterday to forward Prime Minister Jozsef Antall's letter, questioning the suitability of Elemer Hankiss to serve as president of the Hungarian Television [MTV], to the Constitutional Committee, as requested by the head of government.

Based on this resolution a majority of the cultural affairs committee members present rejected SZDSZ [Alliance of Free Democrats] Representative Miklos Haraszti's remarks questioning the legality of the process asked for by the prime minister. The prime minister violated house rules because he approached the chairman of the cultural committee without communicating with the president of parliament, and further, he did not abide by the rules established as part of a law adopted in 1990 concerning the appointment and dismissal of media presidents and vice presidents. The law provides that in the event that the head of government intends to initiate proceedings for the dismissal of the MTV president, he must do so by submitting a firm proposal to this effect, and only on the basis of such proposal does the committee hear the person involved and the president of the Republic decide. In contrast, the prime minister wants the committee to illegally make a statement regarding a matter which it has not decided, Haraszti continued.

Committee Chairman Ferenc Kulin [MDF (Hungarian Democratic Forum)] responded by saying that the prime minister acted properly when he questioned the suitability of the MTV president based on what has been discovered or believed to be a violation of law. Incidentally, the head of government has a right to communicate with any committee of Parliament, and the law governing dismissals does not prohibit the head of government to seek preliminary opinions.

"I regard the prime minister's desire to resolve the situation that evolved at the MTV based on a personal decision as natural," the MDF political said. Elemer Hankiss asked that he be granted unpaid leave until June, but returned when the prime ministers legally appointed a substitute to take his place, and indicated that he would once again be away in the future. Hankiss named one of his superintendents as his substitute. The legitimate direction of the MTV experienced crisis as a result, and this was the primary reason why it became necessary to determine whether the MTV president continues to be suitable to perform his functions. Kulin said. In response to an objection by the opposition, Kulin noted that he could "imagine a situation in which the position to be taken by the Committee on the Constitution could prompt Elemer Hankiss to change his position."

Views of MTV Vice President

92CH0451B Budapest MAGYAR FORUM
in Hungarian 12 Mar 92 p 2

[Interview with Gabor Nahlik, vice president of Hungarian Television, MTV, by Jasz, place and date not given: "What Should I Have Been Waiting for?—Extraordinary Meeting With MTV Vice President Gabor Nahlik"—first four paragraphs are MAGYAR FORUM introduction]

[Text] Television programming is sensational these days. Not what we can see on the screen, but what is taking place in and about this institution. We read war correspondents' reports daily, complete with air-to-ground disciplinary actions, ground-to-ground deployment of traps and rockets that reject jurisdiction. These are bizarre reports about the most nonpartisan three-party beer party of the media president who just landed in Hungary, or about the similarly quick visits paid by the chief press liberator. All in the framework of "strictly private business," of course.

Every actor is known in this commedia dell'arte production, which leans toward the absurd, and each actor plays his role pursuant to traditions. Except one, whose appearance on the stage began all the complications. This actor is Dr. Gabor Nahlik, vice president of the Hungarian Television [MTV]

I am waiting for the vice president—the general deputy of the president—in his office on the last evening of the first week in which he performed in his new position. (Not for a private conversation; I am still confident, even though thus far he has refused to make any statements or grant interviews.) Darkness fell. The TV Program EVENING BALANCE SHEET is over; soon we will see the NEWS REPORT.

I am expecting to see a tense person, worn out by fighting. Instead, I am meeting with a well-balanced, staid man who radiates calm. True, he was tired, but became electrified when he told me the surprisingly large number of people who received him with great expectation and a sense of relief.

[Jasz] How did it feel to enter an unknown medium?

[Nahlik] The MTV was not unknown to me. I have been active earlier as an outside expert [consultant], as a reporter, and as the synchronized voice of my own texts. I have worked in programming from writing synopses all the way to cutting and took part in preparing the budget just as I did in shooting movies.

[Jasz] A single production is only a part of the larger whole.

[Nahlik] I have been involved for months in developing the media law, and I have studied thousands of pages of official reports and a number of detailed professional analyses. All of these conclude that the MTV wastes funds. Thus, when my nomination to become vice president was mentioned, I

knew that developing a professionally strong, internal control system would be most important.

[Jasz] You began developing this immediately, and this created a great uproar in some circles.

[Nahlik] I, too, was told that President Elemer Hankiss, who has been in the United States for quite some time, has requested unpaid leave until 30 June. I familiarized myself with the financial situation, the fact that financing the high level of indebtedness cost a lot of money. What should I have been waiting for? I am a businessman. As the managing director of an entrepreneur training company I agreed to serve in public office; I should really know that loss accumulates with every passing minute.

[Jasz] Your quick actions were followed by an even quicker disciplinary proceeding initiated from far away by the president. How did you react to that?

[Nahlik] I continued working. I met with the superintendents, the editors in chief, the technical and the production directors. Backwardness is significant, some significant development programs are needed, and this, of course, requires a significant amount of money. It obviously is not worth our while to lobby for large amounts unless we do some streamlining. Twenty-four leaders and I met to perform a problem analysis. I also had a discussion with the secretary of the Television Workers Trade Union, and he assured me of his 2,300-member organization's intended support. Incidentally, the day after the disciplinary investigation was announced, I received an offer for the personal use of a Mercedes 190 car. I did not take advantage of it....

Constitutional Committee Consulted

92CH0451C Budapest MAGYAR HIRLAP
in Hungarian 20 Mar 92 p 3

[Article by E.N.: "The Committee on the Constitution Should Take a Position in Regard to the Dispute Between Antall and Hankiss"]

[Text] The prime minister has doubts whether Elemer Hankiss, the president of the MTV [Hungarian Television], continues to be suited to perform his official functions. For this reason he wrote to Cultural Committee Chairman Ferenc Kulin requesting that the committee request the Committee on the Constitution to clarify the legal disputes that evolved at the MTV. Jozsef Antall requested this proceeding with reference to the 1990 law on appointments.

The opposition parties rejected the idea that the head of government request an investigation on the basis of this law. In their view the law provides that committee hearings be held after the initiation of appointments and dismissals. The prime minister has not asked for a dismissal, all he did was to write a letter to the committee on cultural affairs, and Miklos Haraszti denied several statements contained in the letter. Among other things, Haraszti said that the prime minister's finding according

to which the presidents of the various media have not submitted operating rules consistent with laws in effect, was not true. The media presidents have done so several times, according to Haraszti, but the government did not like any of the alternatives proposed. Further, the opposition does not believe that it is the Constitutional Committee's business to act as an arbitrator in the legal dispute.

In contrast, Ferenc Kulin felt that the prime minister had a right to contact any appropriate parliamentary committee regarding any issue. Contrary to the views of Peter Molnar (FIDESZ [Federation of Young Democrats]), Kulin believes that the judgment regarding Hankiss' suitability largely depends on the outcome of the legal dispute that ensued between the prime minister and the MTV president, because the MTV president once again intends to travel abroad, but is not willing to accept the recently appointed vice president as his fully authorized deputy. As a result of this position the MTV president creates a crisis in leadership. In the course of debate, Haraszti objected several times to statements made by the committee chairman in the absence of Hankiss, statements to which Hankiss was unable to respond.

The socialists asserted that the situation that has evolved at the MTV could not be decided on the basis of personal decisions, and that the media law should be enacted as soon as possible. Thereafter FIDESZ submitted a proposal according to which Jozsef Antall should contact the Constitutional Committee directly with the legal problem, but the ruling party majority voted down this proposal. The committee was not polled on the issue of whether the prime minister has a legal basis to invoke the appointments law. Ruling party representatives agreed that the Cultural Committee should be asking the Committee on the Constitution to take a position regarding the legal dispute.

Media Law Negotiations

92CH0451D Budapest MAGYAR HIRLAP
in Hungarian 12 Mar 92 p 5

[MTI report: "Press Subcommittee: Disputed Issues Regarding the Media Law; The Position Taken by MTV Has Not Changed"]

[Text] At a press subcommittee hearing the various parties expressed views in regard to the most disputed points of the media law concept: the legal standing of the various institutions and Office of Radio and Television [RTH].

With respect to the legal standing of the media Ferenc Kulin proposed a public foundation structure on behalf of the MDF [Hungarian Democratic Forum]; the board of this foundation would be composed of representatives of the various parties in proportion [to their representation in Parliament]; at the same time, however, supervisory committees would be assigned to watch over each medium. According to the MDF view the rules provided in the 1990 law would govern the appointments of the presidents of the MTV and the Hungarian Radio.

The advisory body of the RTH would also be composed of party representatives selected on a proportionate basis.

Miklos Haraszti regarded as unacceptable an MDF proposal according to which the appointment of media presidents would continue to be made on the basis of the 1990 rules. With respect to the RTH Haraszti felt that this office should be an independent public service institution. In Smallholders Party Representative Istvan Prepeliczay's view the law being prepared provides excessive regulations in certain fields.

Speaking for the KDNP [Christian Democratic People's Party], Sandor Toth felt that the public foundation form was acceptable. At the same time, FIDESZ Representative Peter Molnar requested the ruling parties not to reject the possibility of operating in the framework of a stock corporation.

Laszlo Csucs, the newly appointed vice president of the Radio was present as an invited guest of the subcommittee. Speaking for the Radio he advocated a public institution form of operation, while thus far the radio viewed a stock corporation form as most favorable from the standpoint of operations. Csucs said that the state budget would have an obligation to finance the Radio as long as it performed public interest functions. Csucs regarded the RTH as a state administrative organ performing the functions of an authority.

Speaking for the MTV, Gabor Banyai made it clear that the MTV's position has not changed. Although they agreed with the operating form of a foundation under public law, they felt that the business management aspects of the organization remained unclear. At the same time, the public institutional character would raise labor law problems. For this reason, the stock corporation management form appears as most favorable from the standpoint of the MTV. This would not rule out the possibility of operating the MTV as a nonprofit foundation.

Voting Rights of Hungarians Outside Hungary

92CH0487B Budapest NEPSZABADSAG in Hungarian
31 Mar 92 p 4

[Article by J. Tibor Keri: "Voting Rights to the World's Magyars?"—Torgyan Blames Jeszenszky"—first paragraph is NEPSZABADSAG introduction]

[Text] Both MDF [Hungarian Democratic Forum] faction leader Gyorgy Konya and Jozsef Torgyan, chairman of the now oppositional FKgP [Independent Small-holders Party], proposed recently that the election law should be modified. Although the two politicians have different reasons for this proposal, we asked both to expound on their opinions.

Imre Konya told our correspondent that he thinks the right to vote is a citizen's right that should not depend on whether someone lives in Hungary or anywhere else. Hungarian citizens, wherever they live, should have the same rights as those living in Hungary. They should be given the right to have a say in building the country's future. How the voting could be accomplished is a purely technical question. Konya said that citizens need not necessarily come home to vote;

they could vote at foreign missions. Konya thinks the modification of the election law, which will be initiated by the government, is important. As he said, it is imperative to include all Magyars throughout the world in the process that is taking place in Hungary. It is important for them, and they would in fact like to participate in this; therefore, we must let them know that we do indeed feel that we need them. However, the right to vote, by definition, cannot include Magyars living in the neighboring countries, for they are not Hungarian citizens.

On the basis of his experiences during his trip to the United States, FKgP chairman Jozsef Torgyan told our correspondent that "It is a sin not to lean on Magyars living abroad, on Magyars who have proven themselves under extremely difficult circumstances. They are the Magyars' gold reserve, and were ignored by the Hungarian Government. Indeed, not only ignored, but even depicted by Geza Jeszenszky at his various public appearances abroad as being useless and isolated from life and the mother country, and those living abroad were infuriated and spoke indignantly about this." The essence of Torgyan's proposal is to give the active and passive right to vote to as many Magyars as possible. Of course, this would have certain implications on foreign affairs that could only be solved in line with official foreign policy. "I think here of Magyars living in Transylvania, Slovakia, and Sub-Carpathia. I have committed myself to initiate this struggle, and I will not stop until most Magyars living abroad will have the active and passive right to vote. With this, the Magyars' old and justified wish would come true," said the party chairman.

3d Civilian Airport Planned in Budapest

92CH0460B Budapest REFORM in Hungarian
12 Mar 92 p 6

[Article by Matyas Timar: "Ferihegy III To Be Built in Place of Soviet Military Airfield; Noise-Level Studies To Ease Concerns of Local Populace; Twenty Minutes to Budapest; Willingness To Coordinate Needed"]

[Text] Budapest is in urgent need of a new airport, especially since it has been finally decided that our capital city will host the 1996 World Fair. A few weeks ago, a group of businessmen made up of American investors came to our country to discuss this matter, armed with detailed plans and proposals. They would be willing to invest billions of dollars and would be prepared to start construction as soon as possible. In their opinion Ferihegy I and II should and could be expanded, but they suggest that the investment could be realized more quickly and profitably by building Budapest's newest airport—which for now we will refer to as Ferihegy III—in the place of what used to be a Soviet military airfield in Kiskunlachaza. According to the experts the landing facilities, runways, and buildings already in place are still usable, the necessary infrastructure is expandable, and once the airport is connected to the freeway, one could be in downtown Budapest within 20 minutes.

The residents of the Kiskunlachaza region—primarily because of the high rate of unemployment there—can hardly

wait for the construction to begin, for if it were started now the airport at Lachaza could, even if only partially, already operate by the time the World Fair is ready to open. In Kiskunlachaza recently, officials from the surrounding settlements of Domsod, Apaj, Aporka, Rackeve, and Adony, and their parliamentary representative Dr. Ferenc Vona, were informed that if the former Soviet military base were indeed to be operated as a new terminal (named "Budapest Three" perhaps), its probable operator, the Air Traffic and Airport Directorate (LRI) would have its own ideas about how to proceed with the construction.

The Lachaza airport is located near the M0 ring, which means that it would be almost as rapidly accessible from the capital city as it would be from Ferihegy, provided of course that the couple of kilometers of connecting stretch is developed into a multilane freeway.

The LRI is also looking into this possibility; it sees the region not only as an airport, but also as a potentially complex commercial and air transport base designed to attract enterprises and turn the area into one of—if not the foremost—centers of the East European region. They have already found sincere and financially strong partners to help them proceed. The entire 15-20 year project could provide jobs for an average of 6,000-8,000 people. At the same time, as an air transport center the airport could employ some 5,000 specialists in positions ranging from the simplest to the most complex. European airports—like those in Frankfurt, Munich, Amsterdam, or Birmingham—which in the past 15-20 years have completed major developments, have given an impetus to bustling commercial and shipping activities within their radius of impact. So this is also what one of Europe's most prominent vegetable, fruit, and flower producer would need.

Soon they will start taking noise-level samples in Kiskunlachaza. Experts from the LRI will be conducting the study at the former Soviet military airfield, where many people still lower their voices when talking about the MiG's roaring over their quiet villages. Modern commercial and passenger-transport aircraft, of course, will not make nearly such deafening noises. But in order to put the local residents' minds at ease, the experts are planning to use the IL 76, an aircraft that frequently flies into Hungary these days, to conduct approaches, landings, and take-offs. While doing this, they will be checking noise levels wherever the local governments so request it.

It appears that the wishes of the profession and the populace coincide on this issue, and there is also considerable amount of available foreign capital to support the project. All that is needed is willingness on the part of the ministries affected to coordinate, and Kiskunlachaza will—perhaps as early as 1996—be able to join the civilian air transportation network as Budapest's third terminal.

Stock Market Performance Mixed in Jan, Feb

92CH0489A Budapest TOZSDE KURIR in Hungarian
19 Mar 92 pp 2-3

[Article by Stock Exchange Secretariat officials Judit Rajnai and Laszlo Mazur: "The Stock Market in the First Two Months"]

[Text] The stock market's performance during the first two months of 1992 was influenced by circumstances both favorable and unfavorable.

Although prices rose in January faster than the 3.3-percent rate the government had planned, the rise was nevertheless lower than the 7.5 percent of a year ago. Also, there was no devaluation, whereas in January of last year the forint's value was reduced 15 percent. The state budget's deficit amounted to 19 billion forints at the end of the first month and rose to nearly 37 billion forints in February.

The fact that the situation in Yugoslavia is stabilizing gradually, and thus the risk to Hungary is diminishing, could have a favorable effect on stimulating the interest of foreign investors, which in its turn basically influences the liquidity of the market for securities, including the stock market.

So far as domestic demand is concerned, it is gratifying that several mutual funds have been formed since the beginning of the year to accumulate and invest the savings of private investors, and furthermore, that the new tax regulations offer the purchasers of securities bigger tax breaks than last year.

The stock exchange's performance during the first two months of 1992 was more favorable than had been expected due essentially to trading in government obligations that had been introduced at the end of last year. The combined value of all transactions—taking both purchases and sales into account—totaled 2.0 billion forints in January and 2.2 billion in February. Trading in government obligations accounted for 85 and 87 percent of the respective totals. The market for equities was less active, even though a new stock, Fonix, was listed in mid-January; its issued shares have a combined total par value of 165 million forints. The aggregate value of all listed shares rose from 33.6 billion forints at the end of January to 35.1 billion at the end of February. Because of lower share prices, however, the aggregate value was lower than at the end of December 1991 (38.2 billion forints). Together with debt instruments, total market capitalization was 49.3 billion forints at the end of the first month and 51.5 billion at the end of the second month. In all, there were 2,054 transactions in the market during the first two months: 1,203 transactions in January and 851 in February. Although the average number of transactions per day was 60 in January and merely 43 in February, the value per transaction last month (2.6 million forints) was over 50 percent higher than the month before (1.7 million forints).

The Spot Market

The total value of transactions in the spot market for equities was lower by more than 30 percent as compared with the same period last year. Whereas transactions in the merely eight issues traded in January 1991 were worth 343.3 million forints, this year the volume of trading in the 23 issues of 21 companies was worth merely 233.51 million forints. The daily volume's value fluctuated within rather extreme limits: between 1.76 and 36.47 million forints. The average daily volume of trading in equities was worth 11.7 million forints, 25 percent less than in January of last year and 66 percent less than last year's daily average (34.6 million forints). After negligible trading the first two days [of January], the third day was the month's most active and accounted for 15.6 percent of the total value of transactions.

IBUSZ, with transactions amounting to 60.26 million forints, was the most active issue in January (see Figure 1), due probably to the fact that the company's privatization is nearing its final stage. Its share of the total value of all transactions was more than a quarter (25.8 percent), while its price rose from 3,039 forints per share at the beginning of the month to 3,435 forints by the end of the month. Other "stocks of tomorrow" were Fotex (with 15.7 percent of the total value of all transactions), Styl (with 13.5 percent), and Skala-Coop (with 13.1 percent). The value of the transactions in each of them exceeded 30 million forints.

Key to Symbols of Listed Companies in Accompanying Figures

AGRIMP	Agripex
BFLAX	Buda-Flax
DHOLD	Dunaholding
FONIX	Fonix
FOTEX	Fotex
GARENT	GarAgent
HUNGAG	Hungagent
HWAY	Bonbon Hemingway
IBUSZ	[Touring, Procurement, Travel, and Forwarding Corporation]
IRODA	Kontrax Irodotechnika
KKIRT	Konzum

MARTFU	Martfu
MUSZI	[Agribusiness Management Consultants]
NOIL	Nitroil
NTRADE	Novotrade
SCOOP	Skala-Coop
SSKAL	Sztrada-Skala
STYL	Styl
TELEKOM	Kontrax Telekom
TERRA	Terraholding
ZKERAM	Zalakeramia
EGYEB	Other

Table 1. Trailing Price/Earnings Ratios

	Dec 91	Jan 92	Feb 92
Konzum	—	—	—
Novotrade*	7.68	6.3	6.4
Skala-Coop	—	17.3	16.4
Martfu	14.64	18.6	16.6
Sztrada-Skala	10.56	9.6	9
IBUSZ	22.01	25.9	26.8
Fotex	18.19	17.9	17.8
Dunaholding	7.04	7.1	7.1
MUSZI	10.75	8.5	8.3
Nitroil	19.79	18.9	18.9
Buda-Flax	11.19	6.5	5.6
Bonbon Hemingway	7.66	6.5	8.4
Styl	6.4	6.3	6.3
Agripex	4.22	4.2	4.3
Terraholding	—	—	—
Zalakeramia	25.97	22.8	24.4
Kontrax Irodotechnika	17.99	13.3	12.5
Kontrax Telekom	39.62	25.2	23.5
Hungagent	4.3	6	6.4
GarAgent	9	8	8
Fonix	—	5.5	5.4
Average	12.72	14.9	14.7

* Calculated on the basis of taxed profit in 1990.

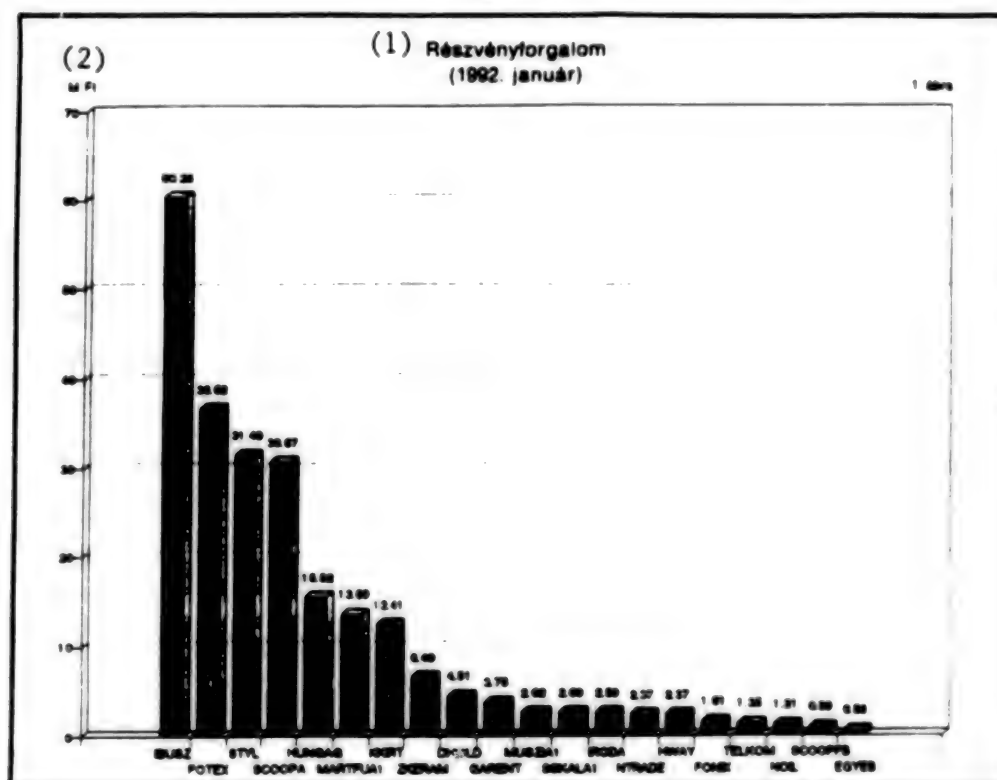
Table 2. Dividend/Closing Price Indicators

	Dec 91	Jan 92	Feb 92
Konzum	0	0	0
Novotrade	18.2	22.2	21.7
Skala-Coop	12.8	13.8	14.6
Martfu	4.9	4.3	4.8
Sztrada-Skala	8	8.6	9.2
IBUSZ	6.7	5.8	5.6

Table 2. Dividend/Closing Price Indicators (Continued)

	Dec 91	Jan 92	Feb 92
Fotex	10.7	10.4	10.4
Dunaholding	13.8	14	14
MUSZI	8	9.1	9.2
Nitroil	0	0	0
Buda-Flax	9.1	17	18.7
Bonbon Hemingway	14.7	9.4	10
Styl	5.2	5.1	5.1
Agrimpex	6.8	7.7	7.7
Terraholding	0	0	0
Zalakeramia	3	3.4	3.2
Kontrax Irodetechnika	NA	NA	NA
Kontrax Telecom	NA	NA	NA
Hungagent	12.5	9.3	8.7
GarAgent	12.1	13.5	13.5
Fonix	—	NA	NA
Average	8.8	9.1	9.2

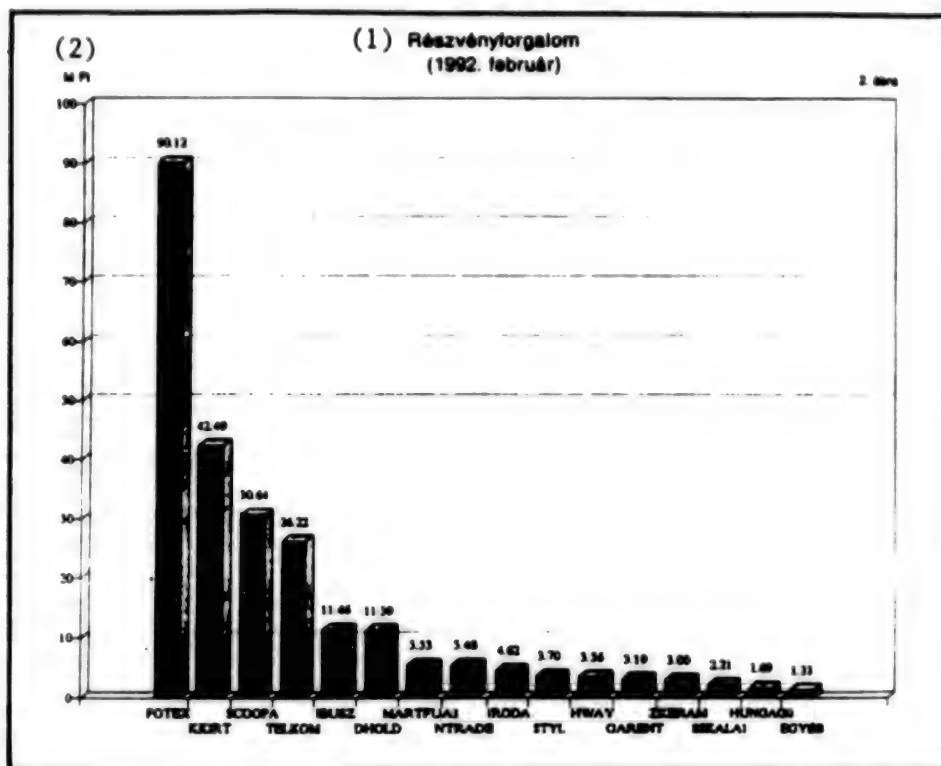
Figure 1.



Key:

1. Trading in Equities (Jan 1992)
2. Million forints

Figure 2.

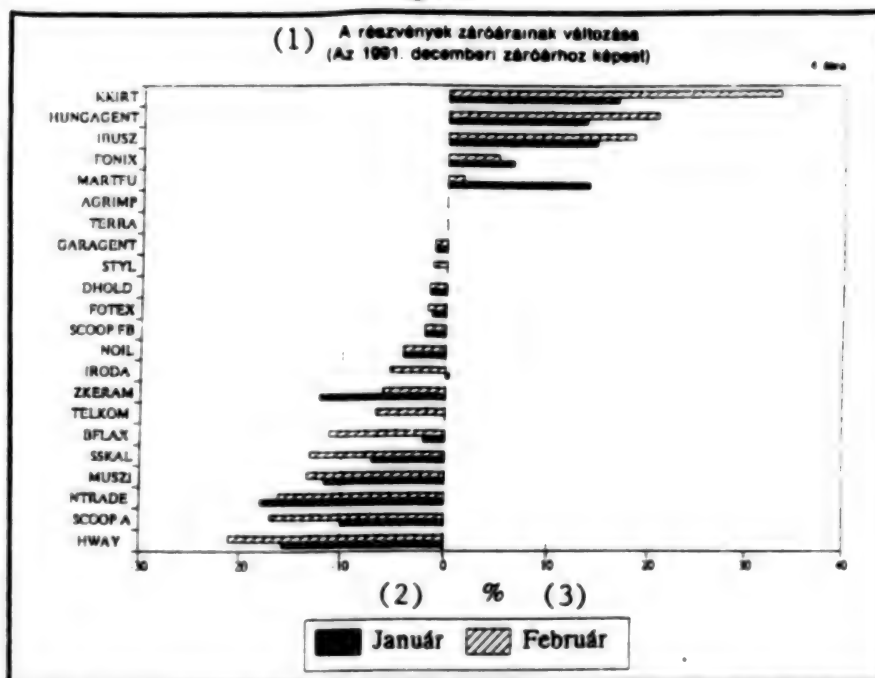


Key:

1. Trading in Equities (Feb 1992)

2. Million forints

Figure 3.



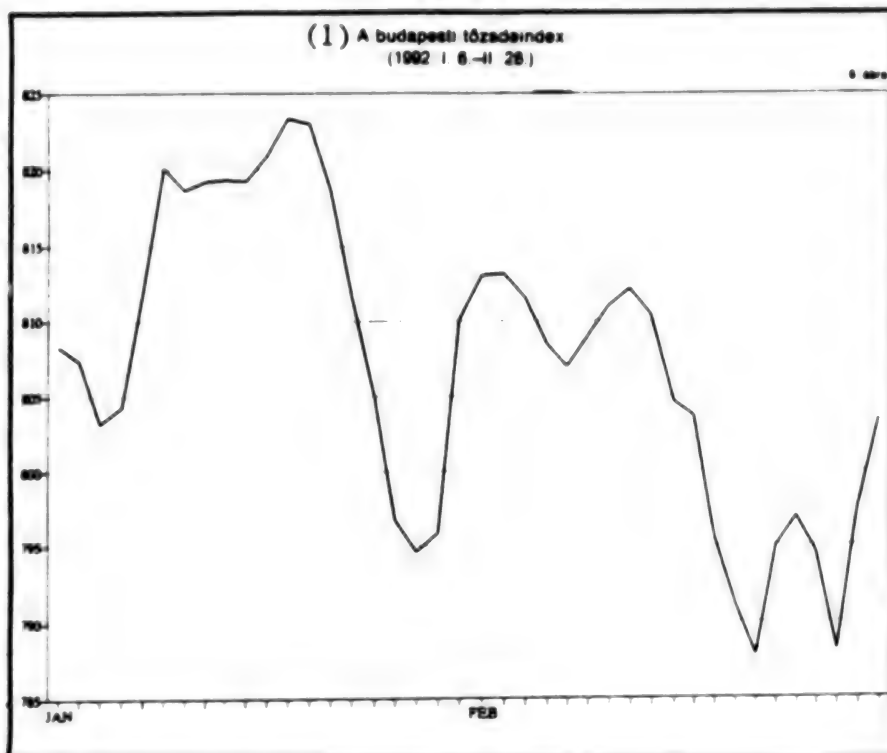
Key:

1. Percent Change in the Closing Prices of Shares (Relative to the December 1991 Closing Prices)

2. January

3. February

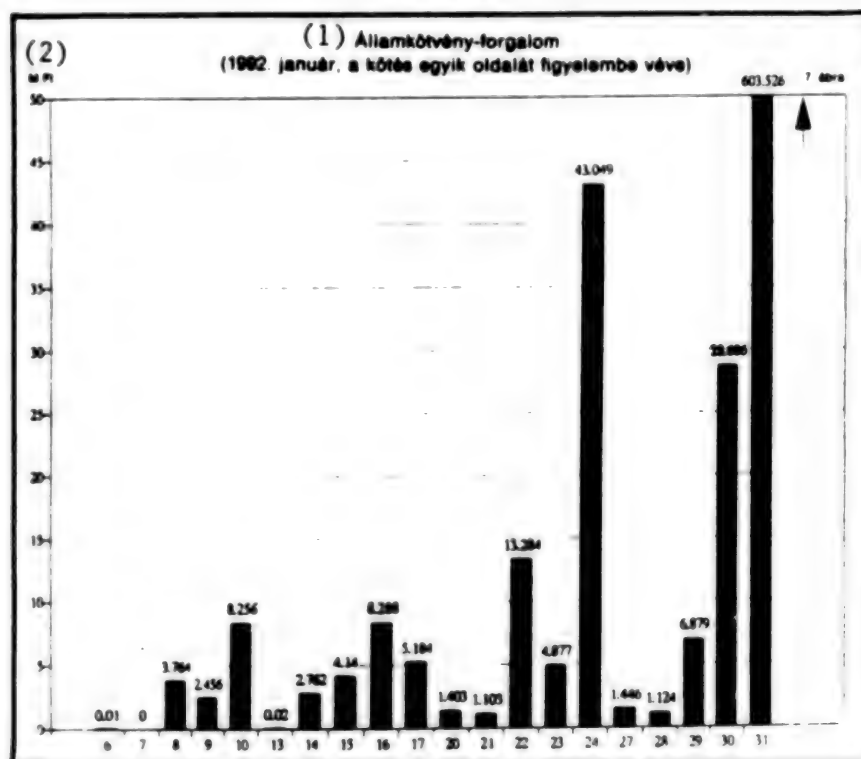
Figure 4.



Key:

1. The Budapest Stock Market Index (From 6 Jan to 28 Feb 92)

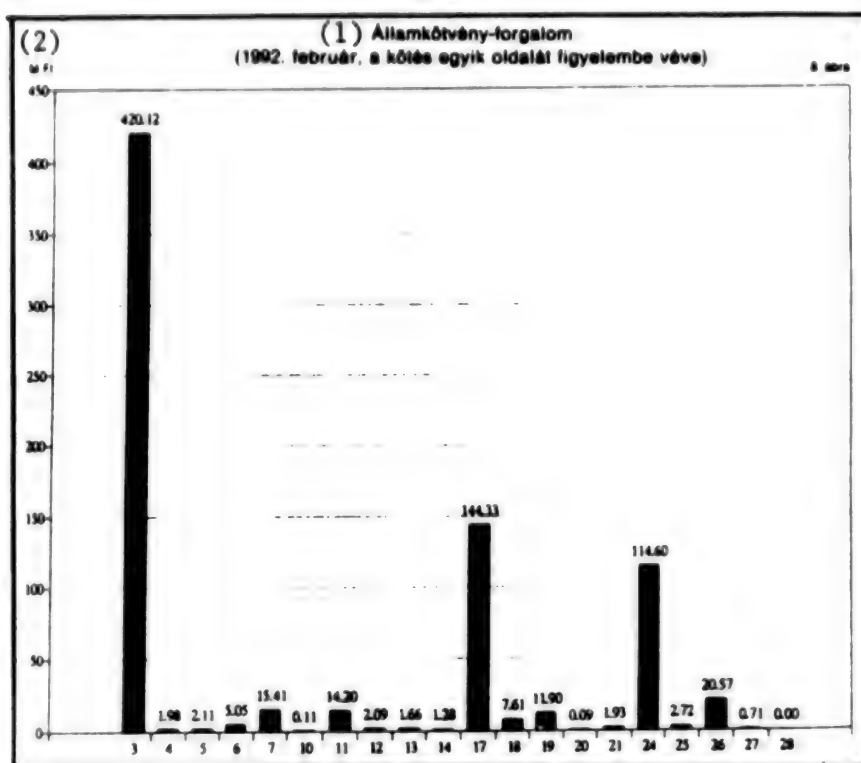
Figure 5.



Key:

1. Daily Trading in Government Obligations in January 1992 (Taking One Side of the Transactions Into Account)
2. Million forints

Figure 6.



Key:

1. Daily Trading in Government Obligations in February 1992 (Taking One Side of the Transactions Into Account)
2. Million forints

In the spot market for equities in February, the monthly volume's value increased 56 [as published, should read 5.6] percent over the preceding month, to 246.6 million forints. The average daily volume's value was 12.3 million forints, 0.6 million higher than in January. Two days of outstanding activity in the second half of the month (with daily volumes worth 36.3 and 35.6 million forints respectively) accounted for approximately 30 percent of the monthly volume's value.

Fotex, with transactions totaling 90 million forints, was the most active issue in February (see Figure 2). Its share of the total value of all transactions was 36.5 percent, and its price continued to fluctuate around 202 forints per share. There was keen interest in Konzum shares during February, due probably to the gradual stabilization of the situation in Yugoslavia. Trading in Konzum shares amounted to 42.5 million forints, and the price per share rose from 700 forints at the beginning of the month to 800 forints at the end of the month. In the spot market for equities during February, significant proportions of the monthly volume's value were recorded also for Skala-Coop (12.4 percent) and Kontrax Telekom (10.6) percent.

The average trailing price/earnings ratio, computed on the basis of the closing prices on 31 January and the

earnings per share after taxes, was 14.9, which was 2.2 points higher than at the end of December 1991 (see Table 1). This was due to the fact that, with the exception of a few companies, the 1991 earnings per share after taxes fell more sharply than the decline in share prices during January. Because of a further decline in share prices (see Figure 3), the average price/earnings ratio at the end of February was 14.7. The expected dividend yield was 9.1 percent at the end of January and 9.2 percent at the end of February (see Table 2).

In January and February 1992, the Budapest Stock Market Index fluctuated around 800 (see Figure 4). In January, after a brief decline at the beginning of the month, the index began a steady rise, reached its peak (823.36) on 21 January, then declined continuously until 29 January (to 794.61), but in the last days of the month it was again rising. That tendency continued during the first half of February, but a sharp decline began in the second half of the month. The index reached its low (787.77) on 20 February, but at the end of the month it passed the 800 mark (rising to 803.43).

The trend during the same period last year was entirely different. The value of the index fluctuated around its base, approximately until the middle of January, when it started to rise vigorously. By the very end of the month

the index reached its peak (1071.83), which was 7.2 points higher than its opening value. But in February, a mostly even decline could be observed already from the beginning of the month, followed by a vigorous rise at the end of the month.

Among the debt instruments, Postabank's were last traded in the market at the end of 1991, but there has not been a single transaction in them this year. In the spot market for government obligations, the value of the volumes traded in January and February—taking both sales and purchases into account—was about the same: 1.48 and 1.54 billion forints respectively. In January, there was livelier interest in government obligations in the second half of the month; 95 percent of their monthly volume's value was transacted then. A contributing factor was the outstanding activity on the last day of the month, when government obligations worth 603.5 million forints changed hands (see Figure 5). The net price of government obligations declined from 99 percent [of their par value] at the beginning of the year to 98.5 percent by the end of the year, while the maturity-commensurate interest rate rose.

In the spot market for government obligations, the February volume's value was 56 billion forints higher than in January, but the transactions were not concentrated in the second half of the month like they had been the previous month (see Figure 6). To the contrary, there was outstanding activity (420 million forints' worth) on the first day of the month, and it accounted for more than 50 percent of the monthly volume's value. The price of government obligations rose from 98.5 percent at the end of January to around their par value at the end of February.

Futures and Options

Trading in futures and options on the stock market increased in January over the same period last year. Merely 12 options—two put options and 10 call options—were traded in the first month of 1991, and their total [exercise price] was 11.2 million forints. But in January 1992 there were 42 options for shares and four futures contracts for government obligations, with a combined total value of 294.3 million forints. (Even if adjusted for the number of stock issues now listed on the stock market, the total value of the transactions last year would be only about 40 percent of their value this year.)

In January, all the options for shares were call options without exception. Therefore it may be assumed that the buyers of the call options had expected share prices to rise. The premiums paid for the options totaled 3.043 million forints, and therefore the premium on average was 4.4 percent of the exercise price. That is 0.5 point higher than the corresponding percentage for the same period last year—an indication that the risk the market includes in its calculations is slightly higher this year than it was in 1991.

In the first month of this year, options were traded for 13 of the stock issues currently listed on the market; the

largest number of options contracts (20) were for Fotex. Kontrax Irodotechnika heads the list in terms of the total exercise price per contract. (The largest contract was worth 2.45 million forints.) The average futures contract for government obligations was worth 28.2 million forints. Outstanding among the futures contracts for government obligations was one worth 103.67 million forints, specifying delivery and settlement at the end of the month; the buyer made a profit of about 1.0 million forints on it.

In February, trading in options for shares showed a drop of over 50 percent in comparison with the previous month, while trading in government obligation futures increased 80 percent. There were 33 options—29 call options and four put options—for shares, with a total exercise price of 30.4 million forints. On average the premium paid was 1.8 percent of the exercise price, a significant—nearly 60-percent—decline from the percentage in January.

Options were traded in February for only eight of the stock issues listed. Fotex, with 22 option contracts, continued to head that list, but Nitroil ranked first (with 1.3 million forints) in terms of the highest total exercise price per contract. Although trading in government obligation futures nearly doubled in February in comparison with January, the average price per contract was 20.3 million forints, 7.9 million less than in January. The options and futures contracts matured mostly at the end of March and the end of April respectively.

Credit Bank's Role in Agricultural Sector

92CH0460A Budapest HETI KIS UJSAG in Hungarian
6 Mar 92 p 7

[Unattributed article: "Role of Agricultural Bank Raises Questions"]

[Text] In the past couple of years there has been a great deal of talk and much anticipation in the press, on the radio, and on TV concerning the need in the agricultural sector for one or several separate banks. People apparently fail to recognize that there already is a branch bank alive and well, and in operation, whose present and future are both closely tied to the agricultural sphere

The National Commerce and Credit Bank [OKHB] finances 50 to 60 percent of all agricultural enterprises and 80 percent of all food-producing firms. At any given time, more than a half of its credit allocations are committed to the narrowly defined vertical combine, and if we also include specialized machinery manufacturing, equipment sales, and large agricultural and food export enterprises, the ratio is much higher. Not even Credit Agricole, the world's largest agricultural bank, allocates a greater percentage of its resources to the agricultural sector

If this is so, then why does the OKHB not provide adequate financing for the agricultural branch, and why does it not live up to the requirements expected of an agricultural bank?

The answer is simple: because it is unable to, and because we cannot expect it to be able to.

What we need to proceed from is the assumption that—irrespective of when and where they may function—in the market economies commercial banks must meet three basic criteria: number one is security, number two is profitability, and number three is liquidity. There is no particular order of importance among these factors.

Naturally, these basic criteria always assert themselves; in fact, they must assert themselves within the framework of a given set of economic, legal, and political circumstances. Banks play the same role in a market economy as the other economic units and its activities are affected by the same set of factors.

So let us examine this ternary system of criteria in a little more detail.

Security

Traditionally, agriculture has not been among our debt-ridden branches; in fact, year-end figures for 1991 indicate that the ratio of internal financing here was higher than the national economic average.

The food industry, on the other hand, has been struggling for years to keep its head above water, faced with a situation in which more than 90 percent of its production is financed on credit. Moreover, there are branches today (e.g., the canning industry) where the financing of fixed capital is done entirely on outside credit because the enterprises have used up their own assets.

The branch's debt structure has also undergone change. Bank resources have become more scarce, while debts to suppliers have increased, forcing a rise in revolving debts. Also on the rise are debts to the state and the Area Committee.

The recently adopted law governing financial institutions treats the issue of security as a number-one priority. It requires all outstanding loans to be rated, and prescribes strict reserve ratios for all doubtful obligations.

To secure its doubtful debts the bank must generate and account for as investment a capital reserve amounting to 50 percent of its outstanding assets. Included in this category are debtors with principal or interest payments past due 60 or more days, or loans extended to clients who for the past two years have been operating at a deficit.

Banks are required to generate a 100-percent reserve to cover outstanding interest and capital debts that have been delinquent for 360 days or longer, and obligations incurred by clients undergoing bankruptcy proceedings.

Continued financing of clients belonging in either of these categories has thus become virtually impossible. Of OKHB's agricultural clients some 350 producers have delinquent debts of 90 days or more—on the national level there may be a total of 600 such firms—with about 80 of these producers operating in the food industry. According to preliminary data the number of clients operating at a deficit in both of the last two years is around 200.

Unfortunately the private sector has also not been able to escape the effects of the branch's deteriorating situation; in fact, they have become even more vulnerable. As of 31 December 1991, more than 50 percent of the credits allocated by the bank to that sector were rated as poor.

The forced market reorientation coupled with a drop in solvent domestic demand in recent years have led to marketing difficulties. Production is declining, as is the product base that can be financed.

Profitability

In 1991, the food industry suffered an unprecedented drop in revenues caused by its inability to maintain prices that reflect its increased costs. Within the 35- to 36-percent inflation rate, the consumer and producer prices of food stuffs rose by 24 percent and 14 percent, respectively, while agricultural price levels remained stagnant.

The experiences of privatization and the efforts to attract outside capital so far leads one to conclude that foreign capital is not all that interested in agriculture. The basic reasons for this are low profitability, minimal dividend-generating potential, and also our unresolved proprietary situation.

The enthusiastic interest shown in our food industry, however, is also not unequivocally positive, for behind it one detects strong neocolonialist aims and the even more serious threat of monopoly building (e.g., in the sugar industry).

Liquidity

As part of the process of building a market economy, the Hungarian National Bank has eliminated refinancing programs tailored to the peculiar needs of agricultural production. Most of the funds available through commercial banks come with a 90-day grace period, which is not long enough to help solidify the foundations of agricultural production.

The banks do not have funds of their own to lend for periods longer than one year; only construction loans and World Bank credits are available for that purpose, but their use is highly restricted. The extension of agricultural credits for periods longer than a year—e.g., loans secured by real estate—has been made impossible by legal obstacles.

The reality of having to stand in line for credit has finally caught up with the branch. It is, in fact, more vulnerable

than the average branch in that it is made up mostly of capital-poor enterprises, which must compete with such firms as AFOR [Mineral Oils Commercial Enterprise]. At the same time, as a result of the market shift the branch's need for new funds has continued to increase.

These circumstances have also prompted a reassessment of relations between raw material producers and wholesale buyers. Because of interest rates that exceed profits, shrinking credit sources, and a surge in demand for credit brought about by our changing markets, the purchasing and processing organizations have had to pace out their purchases and payments.

Danube Circle Scores Government Statement of Dam

92CH0487A Budapest NEPSZABADSAG in Hungarian
31 Mar 92 p 4

[Article by P.U.: "There Will Be a Variant H by Summer"—first paragraph is NEPSZABADSAG introduction]

[Text] At its press conference yesterday, the Danube Circle again sharply criticized parliament's resolution of last week on the Bos-Nagymaros Dam and statements by certain government representatives.

According to Janos Vargha, parliament's decision to authorize the government to terminate the 1977 interstate agreement in the event that the Czechoslovaks do not halt construction as per variant C by 31 April [as published], was for all practical purposes tantamount to transferring decisionmaking authority to the government. In other words, even if the construction work on the Slovakian side will continue, the government will still be able to weigh the pros and cons of the termination.

"We were appalled to receive this information," said Janos Vargha of chief government counselor Miklos Kiraly's statement made in Czechoslovakia last week, in which he stated that the reason for the Hungarian Government not to have conducted talks regarding the technical compromise until now was that parliament had prevented it. According to Vargha, the above statement contradicts parliament's April 1991 resolution and proves that some government factions, together with K. Sandor Keresztes, minister of environmental protection, support the startup of some sort of a hydroelectric power plant. He called it an absurd proposition that in the event the Czechoslovaks do halt variant C, a trilateral (Czechoslovak, Hungarian, and EC) committee examine the power plant's ecological effects this summer and, moreover, that the Hungarian partner would definitely accept the committee's decision. Environmentalists think that Hungary's sovereignty and interests would be violated if the committee should decide to construct the power plant and the government abides by that decision.

In its April 1991 resolution, parliament requested that the government, in addition to conducting talks on terminating the 1977 agreement, should also work out a plan to halt the damages caused by the construction and to regulate the Danube in line with ecological interests. To date the government has not done this. For this reason, with the participation of Slovak experts, environmentalists will begin working out the so-called variant H, completing the plans by summer.

In closing it was also mentioned that the Danube Circle proposed to meet with Ministers Ferenc Madl, K. Sandor Keresztes, and Csaba Siklos, State Secretary Tamas Katona, and Bela Hajos, chief of the dam secretariat.

ZChN Opts for Broadening Government Coalition

Niesiolowski on Parliamentary Majority

92EP0336A Warsaw GAZETA WYBORCZA in Polish
31 Mar 92 p 12

[Article by Stefan Niesiolowski, chairman of the Parliamentary Club of the Christian National Union: "Let Us Have a Parliamentary Majority"]

[Text] All the parties negotiating the formation of a new broad ruling coalition are officially in favor of continuing the talks, although internally they are divided on this issue. Similarly, not all the Christian National Union [ZChN] politicians are certain whether Olszewski's cabinet should be fundamentally changed.

The discussion of the need to broaden the ruling coalition became markedly intensified after the Sejm had rejected the assumptions of the government's socioeconomic policy. The principal argument of the supporters of a broader coalition, that is, to put it differently, of gaining a parliamentary majority on which the government can base itself, is the need to stabilize the situation in Poland, to strengthen the government so that it may govern effectively, continue the reforms, lead Poland out of the recession, and overcome the fatal consequences of communism.

I am one of the supporters of such a solution. It seems to me that there is no viable way out other than broadening the parliamentary support for the Olszewski cabinet. And that is so because the elections have resulted in a paralysis—in the impossibility of forming any lasting and platform wise and ideologically cohesive majority in the Sejm. This is a classic situation in which, in a normal parliamentary democracy, new elections are ordered with the object of having a majority emerge that would be capable of forming a government. But the Poland of 1992 is not a normal democratic republic.

New Elections Would Compromise Us

Present-day Poland is a country devastated by years of communist dictatorship and, even earlier, by the German occupation. It is a country in which both industry and agriculture are obsolete, underinvested, and totally uncompetitive with their counterparts in West Europe. It is a country whose natural environment is in a sorry state. The average lifespan and educational background here are among the lowest in Europe.

The society is gripped by a malaise, feeling disappointed and discouraged about democracy. This cannot be said of the mood of structures of the postcommunist *nomenklatura*, organized into various kinds of claimant gangs and exploiting the difficulties for which communists alone are responsible. Nowadays, instead of languishing behind bars, these individuals head manifestations by

diehard supporters of totalitarianism or by deceived people who are unaware of the consequences of their actions.

If new elections are to be held several or a dozen months after the first democratic elections, in the absence of any clear signs of a disappearing recession or any other symptoms of an economic revival, this can mean only one thing: The democratic system would be compromised.

For how else can we explain to the public that the only idea that Polish democracy has to offer is to hold yet another round of elections with yet more confrontations among politicians, without any practical consequences? How can voters be encouraged to turn out for the new elections if their participation in the previous elections has merely resulted in the need to repeat them? And lastly, how can we tell the public that the the new elections will not have to be repeated in their turn, considering that they will result in yet another stalemate?

I believe that, should new elections be held in the near future, voter turnout would be very low and populist, irresponsible, postcommunist, extremist forces would win them. The Poland that would then emerge would not resemble the democratic Third Polish Republic.

Only a Large Coalition

No one will relieve the present-day political elites from responsibility for Poland. For while the politicians of the Second Republic were not to be blamed for the country's loss of independence in 1939, given present historical knowledge, there is no doubt that, in face of the conspiracy between Hitler and Stalin and the mistakes made by England and France, Polish diplomacy was impotent and Poland itself defenseless. Nowadays the international situation is very up and we are passing our examination under incomparably more comfortable circumstances.

No one has offered convincing arguments in favor of letting the administration of Jan Olszewski remain based on a parliamentary minority, and there is not even the smallest chance for replacing it with a new and effective majority, unless it were leftist-dominated—and that would mean a return of socialism to power by the back door—rather than broadening it.

We Are Condemned to a Compromise

Thus all that is left are talks about broadening the ruling coalition. They are difficult and at times dramatic talks among parties burdened by mutual accusations and suspicions, talks involving mutually exclusive preconditions and relatively irreconcilable programs as well as mutual recriminations for deeds of the past.

Still, these talks corroborate the oft-proclaimed theoretical principle of placing national interests above partisan political and ideological interests.

At the same time, I am fully aware that all the participants in the talks on the coalition should retain their partisan identities, for I believe that no understanding can be reached on the basis of blurring over the differences, on the basis of misunderstandings or failure to define the issues precisely, or on the basis of reducing everything to one-hand-washes-the-other personal deals.

But at the same time I feel that we all are condemned, as it were, to reach a compromise, unless that great enemy of Poland and Poles, the Prussian King Frederick II, was right in claiming that we are a nation unfit for statehood and fated for self-destruction, collapse, and disaster.

In the opinion of West European and United States analysts, our country unfortunately does not provide an example of stability. The domestic situation in Poland is worse than in a Czechoslovakia that is being threatened by Slovakia's secession, let alone in Hungary. We are becoming a country with a high investment risk, which is additionally worsening our already very difficult economic situation.

Phrases and Patriotism

One can venture the generalization that anything that promotes stability and a stronger government is good for Poland nowadays. That is why I am opposed to including in the ruling coalition any parties which, to be sure, proclaim patriotic phraseology but in practice guide themselves by their own partisan interests, by the desire for power irrespective of the social cost.

The feeling of responsibility for Poland, which also means responsibility for one's own words, promises, platform, and Sejm voting record, is, as I see it, the fundamental proof of political maturity. I am influenced by no other considerations, by no personal biases about politicians and their more or less pleasing biographies.

I cannot accept as relevant the reasoning that voters are confused by coalitions formed among groupings advocating different and sometimes opposed platforms, or that a political party may lose its ideological identity by reaching an accord with a grouping that follows a totally different platform and is of totally different origin.

First, coalitions of this kind have already been formed in the past in Poland's national interest, especially in dramatic, menacing, exceptional situations—and nowadays this is the kind of situation we are facing.

Second, voters expect above all an improvement in living standards, or at least a warranted hope for such an improvement—stability, guarantees that public affairs be managed by individuals who have the time and the possibilities for attending to them instead of merely focusing on preserving the government in between election times.

Someone Has To Implement the Budget

Lastly, it should be borne in mind that passing the budget in itself is not enough—it still has to be implemented, and I believe that this can be done only if the government is granted special enabling powers.

That is why, in full awareness of the hugeness of the problems and the unfavorable nature of the circumstances, and although I feel that many politicians identify national interest with their own personal or pressure-group interests or put ideology above everything and everyone, I support what I declared at the outset: A lasting parliamentary majority supporting the government has to be built in the parliament.

Basic Party Principles Maintained

92EP0336B Warsaw GAZETA WYBORCZA in Polish
31 Mar 92 p 13

[Article by Ryszard Czarnecki, press spokesman of the Christian National Union: "For a Broader Rather Than Changed Ruling Coalition"]

[Text] Can Prime Minister Olszewski's government govern on the basis of a parliamentary minority? Yes, that is not infrequently the case in the West. In view of this, does the political base of the government have to be broadened? No. Is it necessary? Yes.

There is a wide gap between the need to form a new coalition and broadening the current one. This should be realized by all those who condemn the present government. To be sure, blackmail works in politics, but that would be "short-run politics" which Poland cannot afford nowadays.

Semantics and Politics

Columnists and certain politicians point to the need for a "new coalition" to be formed between, on the one hand, the ZChN [Christian National Union], both wings of the Center Accord, and the peasant parties, and on the other, the bloc consisting of the Democratic Union, the Liberal-Democratic Congress, and the "Beers" [Beer-lovers' Party]. Under this idea any cabinet post other than the prime ministership can be given away to members of such a coalition.

Others (i.e., other politicians and columnists) contend that it would be useful to broaden the current political base of the government by including a new grouping or groupings. The difference between forming a "new coalition" and broadening the old one is not only, and not above all, semantic.

That is so because the "extensive restructuring" of the present government as demanded by Jan Rokita (Democratic Union) or Leszek Moczulski (Confederation for an Independent Poland) is one thing, and enlarging the coalition while hewing to the basic political (the elimination of the relics of communism) and economic (protection of Polish industry and agriculture, new negotiations with the IMF and the World Bank) premises of the

Olszewski Administration is another. It is only on the latter basis that talks with potential coalition partners should be conducted.

Ideology and Pragmatism

The Christian National Union has an ideology of its own, meaning that it is not going to renounce its principles and values in exchange for participating in present-day political games. But at the same time the ZChN is an economically and politically pragmatic party, meaning that it accepts compromise so long as Polish national interests are not harmed and the Ten Commandments are obeyed. On fundamental issues, such as national security and the return of Christian values to public life, we do not act like weathervanes, unlike some other parties. In the present political game, whose purpose should be Poland's stabilization on the international arena as well as domestic (political and economic) stabilization, we erase no one from the list of potential partners—no one, that is, except the communists. These should be allowed to rest after the toil of ruling the former Polish People's Republic.

How Are We Different From the Others?

We differ fundamentally from the Democratic Union in our vision of the national community, the Polish state, the Roman Catholic Church, and Poland's place in Europe.

We view negatively "gruba kreska" ["large scale cross-out," that is, forgiveness for the former communist elite]. Unlike the Democratic Union, we are alert to the dangers harbored in German economic activity and in the unstable political situation east of Poland's border. We decidedly differ from most Democratic Union activists—here the question of the Forum of the Democratic Right within the Democratic Union is a separate issue—in viewing the role of Catholicism in the life of Polish society.

We differ from the Confederation for an Independent Poland (KPN) in our style of political thinking and action, attitude toward the Roman Catholic Church, and—decidedly—economic program (we have one).

We are separated from the Liberal-Democratic Congress by the barrier of a different interpretation of Poland's relationship with the international financial institutions and the protection of Polish industry and agriculture. Our vision of privatization is different, as is our attitude toward the state sector in the economy. And moreover we believe that Christian values should pervade Polish public and political life, whereas the Liberals believe otherwise.

These differences cannot, and should not be, opportunistically glossed over. At the same time, though, they should not prejudice the outcome of coalition talks.

What Planks the ZChN Will Not Surrender

We will not consent to abandoning the basic provisions of the economic program of the Jan Olszewski Administration. We will not assent either to relinquishing its political program, which was formulated with the active participation of the ZChN. Our parliamentary caucus of ZChN deputies, which provides the strongest support for the government in the Sejm and Senate, will not agree to sanctioning the "gruba kreska." We desire to continue making "the system and the people of that system" accountable. We shall not assent either to the inclusion of secularists, who demonstratively demand "church-state separation," in governing Poland.

Likewise, we shall not assent to populist economic demagoguery. We also find unacceptable any ministerial appointments that would undermine the political foundations of the government and affect the ministries of national defense, internal affairs, justice, and labor, as well as the Office of the Council of Ministers.

What Compromise?

Last Thursday Tadeusz Mazowiecki claimed the "onset of a crisis" in the talks to broaden the government. The following day the groupings supporting the Olszewski administration authorized the prime minister to continue the talks and negotiations.

The ZChN is open to the talks without prejudging their ultimate direction and outcome. In the present ruling coalition, this party will of a certainty assuage the PC's [Center Accord's] explicit dislike of the KPN [Confederation for an Independent Poland], as well as the peasant groupings' dislike of the Liberals, so as not to alienate any potential ally who would be, after all, needed not only to vote in favor of passing the budget.... But all this should not prompt us to abandon our party principles and political pragmatism.

"Such are the times," as a certain well-known columnist who, incidentally, is unfriendly toward the ZChN, is wont to say.

Government Seen as Poor Communicator With Press

92EP0315A Warsaw *POLITYKA* in Polish
No 13, 28 Mar 92 pp 1, 5

[Article by Janina Paradowska and Jerzy Baczynski: "Authorities in the Papers"]

[Text] "This government, without comparison to any other Polish government in the last thousand years, met with enormous organized criticism at the very beginning. We react to it calmly; we think that deeds are the best answer to words," said government spokesman Marcin Gugulski in an interview for the newspaper *GLOB* 24 at the end of January. One can forgive a beginning spokesman much, even silliness, if one is favorably disposed. After all, he is not the only one to make

humorous statements. Much more experienced politicians do so too. The fact that Minister Gugulski spoke of an organized attack just as a campaign (in which the government as well took part) against the cabinet of J. K. Bielecki was going on, adds a certain piquancy to his statement. A member of the ZChN [Christian National Union] should know the parable of the splinter in one's own eye....

If the whole thing had begun and ended with this one sentence, the statement by the "spokesman of the millennium" would surely have remained a momentary sensation. Unfortunately, it began much earlier, and continues to this day. From its first days, the government opens new battle fronts with amazing ease, and it is difficult now to understand not only the strategy, but also the immediate tactical use of such behavior.

Jan Olszewski's cabinet was formed at a much more difficult moment than were the two previous cabinets: in an unfavorable political light, with a greatly fragmented parliament, continually worsening social moods, and rising claims, and in an extremely difficult economic situation. Such a superficial overview of the situation would already enjoin one to win over supporters for oneself, to make deals with whom one could, and especially, to win over the opinionmakers. Meanwhile, with the prime minister's first speech before the Sejm, there began the estrangement from one another (we wrote about this in *POLITYKA*) of political parties which did not yet really know how they would behave toward the government; then came the turn of members of the coalition itself; a multiplication of misunderstandings with the president; unclear games with the trade unions. Finally, the prime minister took on the press, accusing it of primitive manipulation. Thus the next battle front was opened, with the mass media. Let us look briefly at the history of this growing conflict.

Ours and Theirs

During the formation of his cabinet, Jan Olszewski met with journalists quite often, even though he found himself in rather an awkward situation, and simply did not answer many questions. There was no "organized criticism" for that, but rather understanding. After the formation of the government, relations with the press began with the spokesman dividing the media into good and bad (he called the bad "gangsters," not specifying who he meant, since "most readers know anyway"). He singled out in this way those which would receive information first: the Polish Press Agency [PAP], radio, and television, and thus the state media (the government media, as understood by the present government). The introduction of such a division does not generally win one the favor of journalists, most of whom do not work in the PAP, radio, or television. Things turned out in practice to be even more astounding than what was promised.

The daily paper *NOWY SWIAT* became the government's protege, the prime minister found time for it at

practically any time of day or night, and on its pages spoke out on every matter (we note in particular the statement supporting the candidacy of Zbigniew Romaszewski for the position of president of the Supreme Chamber of Control; we are not convinced that this was truly a matter for the prime minister, and the correct form of pressure on parliament). At the same time, *GAZETA WYBORCZA* was trying in vain—and is still trying—for an interview with the prime minister (Ewa Millewicz and Piotr Pacewicz recently wrote about this situation). The prime minister did not find time for *GAZETA WYBORCZA*. How is one to understand the information policy of a government whose prime minister prefers to communicate with society through a daily of low circulation which is just entering the market, and does not want to present himself to the million readers of the largest Polish daily?

The majority of the ministers, who have fallen in love with the pages of *NOWY SWIAT* with a constancy worthy of awe, have followed the prime minister. We at *POLITYKA* also have experiences in this matter. Stanislaw Podemski has already retold the story of an interview with Minister Antoni Macierewicz. The minister did not authorize an interview of almost 15 pages (the whole third page of *POLITYKA*), because one of our colleagues wrote one sentence about him which he did not like. We have been waiting for weeks for interviews with Ministers Parys and Naimski. We are twelfth on the list for Minister Stelmachowski, who gives interviews democratically: in the order of application, more or less every ten days, though the list of questions for the minister grows daily.

We hear from different sides that we are not the only ones who have problems with getting statements from members of the new government. We just do not understand why the government complains about poor relations with the mass media when the ministers and the prime minister himself prefer to speak only with "their own." In those media where the government still has influence inherited from the past over the staffing of positions (the PAP, the Polish Information Agency, and *POLSKA ZBROJNA*; there are struggles going on with the Belweder [presidential] camp over radio and television), their own people have already been installed. This is also the source of nostalgia for a return to administrative control over *RZECZPOSPOLITA*. A change in the position of the chair of the Worker's Cooperative Publishing House Liquidation Committee also raises suspicions that the government is trying to get something for itself in the press at the last moment. If this is what the new cabinet's information policy is to be based on, we do not foresee successes. Let us return, however, to what has happened.

Interviews are, of course, only a fragment of a larger whole; one could dismiss them, though none other than Minister Gugulski promised that "there will not be organized great byzantine press conferences, at which the spokesman appears in the role of star. I will rather try

so that the prime minister himself, and individual ministries, had the opportunity to explain patiently their policy principles—to present their successes and explain their defeats.” As can be seen, they have had opportunities: They just do not take advantage of them. Nor, after all, do they take advantage of other occasions.

We remember one of the first conferences in the Governmental Press Bureau (at the time of the battle over a rise on energy prices). It began with a delay of twenty or thirty minutes. The spokesman himself, who did not find time to at least inform the journalists how long they would have to wait in a small and stuffy room, did find time at the same moment to give a radio interview. He was not hurrying at all, either. We remember the huge press conference with the prime minister taking part, at which the socio-economic policy principles were presented for the first time. There were more than one hundred journalists, and two microphones placed at the front of the room. What was one to do, take notes, record everything, or stand in line to ask a question? During another conference, the spokesman announced that he had only 15 minutes for journalists; another time, he reacted to a question from the press with the retort “What is this, ‘20 questions?’” What does this show? Arrogance? Lack of competence?

One could go on this way for a long time about the government’s so-called information policy. We therefore shall recall only the spokesman’s too frequent refusal to answer questions; the idea (fortunately torpedoed, supposedly by the prime minister’s advisers) to make the young deputy Turczynski, who up to now has been noted in the Sejm only for attacks on the Democratic Union so harsh that even deputy Niesiolowski has felt it his responsibility to quiet him in public—director of the Press Bureau; attacks on the daily *RZECZPOSPOLITA* (begun by ZChN deputies and continued by the chief of the Office of the Council of Ministers and the prime minister; personnel changes in television; and changes in the so-called television framework, in which it is difficult not to discern—even with the maximum of goodwill—the desire to remove inconvenient programs (and people too). We can even understand that desire. It is true that the mass media is ruled by a sort of asymmetry, in which the present ruling party, the ZChN, and the related Citizens’ Committee group from which the prime minister and his closest associates come, did not have very significant support in the press, the radio, and television. The fact that these changes bear fruit in such evident manipulations, such as the famous report from the prime minister’s meeting with Mazowsze Region [Solidarity] activists, about which viewers of all the television news programs learned only that a liberal, especially one in the government, is a bandit and a thief; or interviews of such curious content as when Editor Kakolewski was asked about the circumstances of the imposition of martial law must, however, be troubling. With every personnel change, regardless of which party and which government carries it out, there are limits for incompetence, passion, and ordinary stupidity. We have the impression that those limits have been broken.

Enough about the forms of the “new information policy”; now a few words about its contents.

Boomerang

It began with the propaganda about the disaster brought upon Poland by the preceding governments. Indirectly, there was also an indictment of that part of the press which supported that “policy of mistakes and deviations” hidden in this campaign. Revenge occurred at the moment when the Olszewski government finally presented the principles of its program: Many newspapers and journalists responded to the earlier propaganda about an “uncovered disaster” with “propaganda about a disaster impending.” The score was one to one.

The next socio-technical trick was the fomenting by government camp politicians and journalists of an atmosphere of scandals, thievery, and impunity. The people read the subtexts accurately. On television, we heard about the liberals’ banditry, about bureaucrats robbing Poland, about the preceding government’s collusion with foreign capital. And again the weapon turned out to be double-edged. The propaganda ghosts (Szewczak, Jedraszczyk, Jaworowicz, and others), let out of the bottle, successfully scared away not only the state administration, but also potential foreign partners. It came to this, that at a special press conference called last week, Minister of Privatization Tomasz Gruszecki pleaded that the idea of privatization not be compromised. Upon which he himself was attacked by Dr. Szewczak. The score: two to two.

The unambiguous suggestions that international financial institutions are co-responsible for our difficult situation also brought the wolf out of the forest. According to this, it was the IMF and the World Bank which imposed on us an unrealistic, brutal program, and protected its executors. Many governments in Third World countries have applied this technique before. It has usually brought immediate political successes at the cost of the economy. Fortunately, the economic team came to the conclusion that we should be anxious to maintain contacts with the IMF, and began to neutralize the unpleasant effects of earlier statements by government politicians. However, how is one now to convince society that it is necessary to accept coordination with the “bad” fund? The words thrown out earlier return like a boomerang. If we are still counting, the score is three to three.

Does Society Appreciate Things?

The new information doctrine emphasized the importance of direct, sincere conversations of the prime minister with the working class and its union representatives. Several such meetings in fact took place. In an interview for our weekly after the formation of Jan Olszewski’s cabinet, Jaroslaw Kaczynski said that the prime minister believes in the collective wisdom of the people with deep conviction. That faith has found its expression in a repeated thesis that society will judge the government

properly, regardless of what the unfavorable press writes. Unfortunately, in this case as well the government has become entangled in its own nets.

The good will of the industrial working class in particular can be gained only by giving up on a program of rebuilding the structure of the economy; by a return to the closed market, and to cheap credits by printing up money. The new economic team, however, did not decide to do this. On the contrary, it seems that the rigors of monetary and budgetary policy are to be maintained, at a level acceptable to international financial institutions. And rightly so. It is difficult, however, to win people for a program of tough sacrifices through rallies. The logic of such encounters does not leave room for persuasion: A politician either gives in to the demagoguery of the rally, or risks his authority. Both one and the other are harmful. Take a look: Solidarity's National Commission has stated that the course of contacts with the government so far create "greater chances for confrontation than for understanding"; the chief of Mazowsze Solidarity, in his unusually aggressive speech at an open meeting of the regional union, bluntly predicted a general strike. The courting of unionists, and pointing the blame on others while showing one's own innocence, did not do much good. Maybe, then, the tactic is bad.

It is worth considering, by the way, the fact that the president uses exactly the same method of speaking with unionists. In offering up the guilty, the president pointed to the intelligentsia, which Mr. Olszewski could not do, for obvious reasons. Do both politicians, believing in the wisdom of the people, believe that the people won't understand the real reasons for the hard times, and that it is necessary to find them an enemy (the liberals, the IMF, Bagsik, the intelligentsia)?

Foul Play

Does everything which we have written mean that the government alone is responsible for the poor state of social communication, and that there is no guilt on the side of the mass media? There is such guilt; we see a great deal of it. The lack of objectivism in the evaluation of the "premises of socioeconomic policy" was all too evident in many periodicals; it came in large part from party based prejudices, especially that of the groups tied with the Democratic Union. This, unfortunately, had an influence on foreign evaluations of events in Poland. The Union, as a strong opinion making group, should have maintained somewhat more restraint in the discrediting of the government premises (although here as well "violence beget violence"). The case is similar with the case of making microphones or newsprint available to "crazies" posing as experts, without journalists' attempts to pose questions which would restore the proper proportions to matters. We are faced with evident lacks in journalistic professionalism; this is not the first government team to trip up on this, of course. But then all the more should one not provoke the media to foul play, as

is so easy to do by using emotional accusations instead of persuasion and patient reasoning.

In such difficult times, the way in which the authorities communicate with society can decide about the success or defeat of reforms. What is communicated is as equally important here as is how it is done. Objectively, this government, like any other in its position, can give little more than hope (here the prime minister is right). But with empty hands and such a narrow field of maneuver, all the more is it necessary to weigh one's words, so that they might not return as stones. Raising the level of social aggression and intolerance; fomenting pessimism and distrust of everyone by everyone; undermining the authority of state authorities—all this must turn against those who would "sow the wind." The new government's dramatic awkwardness in the acquisition of allies is today simply dangerous for the state. If, however, this is not awkwardness, but programmatic ill-will, then it is probably still worse, for it is difficult to remove such a defect.

Right now, before a budget debate which will be unusually difficult for everyone, would be the time to breakup some fronts and revise the cold war information doctrine.

Jaruzelski French Interview Reported

AU2704093292 Warsaw TRYBUNA in Polish
21 Apr 92 p 2

[[PAP report] including interview with JOURNAL DU DIMANCHE correspondent in Warsaw; date of interview not given: "Jaruzelski: Yes, I Did Consider Suicide"]

[Text] Wojciech Jaruzelski's memoirs, entitled *Fetters and Refusal*, will appear in French bookshops on Tuesday.

General Jaruzelski is arriving in Paris Tuesday for a five-day visit, during which he is scheduled to make radio and television appearances and meet the press. An interview that the general gave to a JOURNAL DU DIMANCHE correspondent in Warsaw has already appeared in that paper's Easter Sunday edition. The interviewer said that the personality described in the book "seems much more complex than one would have thought. Despite his dark glasses, the general seems completely ordinary."

Having read Jaruzelski's memoirs, the interviewer asks him whether the general ever reached decisions on his own. Jaruzelski replies by quoting from his book: "I was a drop of water carried off by the great river of history." Was the imposition of martial law the only decision he ever made, asks the French journalist. "Yes, that was the most important, most difficult, and most dramatic decision I made," replies Jaruzelski.

Asked whether he ever considered suicide, Jaruzelski says yes. "I seriously considered that possibility. One never loses hope if one can see at least one way out of a tragic situation. But I had no way out. It was always 'my'

responsibility, and that is why I had to choose between a greater and a lesser evil. I chose the lesser evil."

The subject of the memoirs does not want to be remembered as a politician. He considers himself a soldier. "I spent 40 years in the Army, which has remained loyal to the Poland of today," General Jaruzelski considers the peaceful evolution in Poland as a personal victory. He regrets his involvement in politics. "That is the stupidest thing I ever did," he says.

"When you stepped down, you asked the Poles for forgiveness," asks the French journalist. "No, not for martial law, that was a necessity," replies Jaruzelski. "I asked forgiveness for the horrible things that happened at the time. The martial law train was boarded by people from the past. They boarded the second carriage in order to settle their scores. But I repeat, martial law was the lesser evil for everyone. It enabled the Poles to avoid disaster. And please don't tell me that I did the work of the Soviets for them. That is an insult. It was also a lesser evil for the West. Imagine what a shock to your country an upheaval in Poland would have been."

In his interview, General Jaruzelski also explains that the failure by the Americans to react to the martial law plans delivered to them by Colonel Kuklinski one month before martial law was imposed confirmed his conviction that he had chosen the lesser evil. "Did this give you the green light?" asks the journalist. "I cannot answer on behalf of the Americans," says Jaruzelski, "but I had the right to believe that a lack of reaction on their part was a signal for me to act."

Education Minister May Face Tribunal

AU2704091192 Warsaw GAZETA WYBORCZA in Polish 21 Apr 92 p 2

[Report by 'dom, west': "A Suspicious Directive"]

[Text] Barbara Labuda of the Democratic Union, chairman of the Parliamentary Women's Circle, has petitioned Tadeusz Zielinski, the civic ombudsman, to place Education Minister Andrzej Stelmachowski before the Constitutional Tribunal about his directive introducing compulsory religious instruction to schools. Mr. Zielinski is to respond within 10 days.

Labuda says the directive is in breach of the constitution and the laws that guarantee freedom of conscience and religion, the law governing relations between the state and the Catholic church, and the Education Act.

"Giving grades for religious instruction in school reports, imposing an alternative subject called ethics on pupils not taking part in religious instruction, reciting prayers before and after each lesson, placing the church's educational authority on the same level as that of the state, the financing by the general public of religious instruction in schools, and forcing parents and children

to make various kinds of declarations about religious matters cause serious reservations," we read in Labuda's letter to Mr. Zielinski.

When he received the news, Minister Stelmachowski said: "One should blame the Education Act, because my directive is merely an executive instruction on implementing this Act."

Civic Ombudsman Zielinski told GAZETA that Minister Stelmachowski's directive "looks suspicious to me, but my office has only just commenced preparatory proceedings and is checking to see whether or not the minister has exceeded his authority. The Education Act itself is not in breach of the constitution, but the minister's directive might be in breach of the Act."

Forthcoming Joint Venture Event Profiled

92EP0333B Warsaw RYNNI ZAGRANICZNE in Polish No 28, 5 Mar 92 p 7

[Article by (Slaw): "Something We Should Already Be Thinking About: Third Forum of Foreign Investors an Opportunity for Enterprises"]

[Text] From 26-28 October 1992, a forum for investors to promote the creation of joint ventures with foreign capital in Poland will take place in Warsaw. The forum is being prepared by the Ministry of Industry and Trade, the Ministry for Ownership Restructuring Affairs and UNIDO, the Organization of United Nations for Industrialization Affairs.

Of the many branches submitted by the Polish side, at the top of the list are the machine tool industry, the pharmaceuticals industry, the industry producing machinery for the food industry and packaging, the industry producing construction machinery and equipment, the household chemicals industry and the medical equipment industry.

The basic task of the forum will be to promote foreign investment in Poland and to create possibilities for establishing direct contact between foreign investors and Polish firms interested in establishing companies in which foreign capital has a share, or in some other form of cooperation. At the forum, the sale of enterprises in whole or part to foreign investors will also be promoted. Information will be disseminated at the forum regarding the economic and legal aspects of investment, the creation of joint venture companies and privatization in Poland.

Offers for the sale of certain plants will be made to potential foreign purchasers. The organizers are planning to prepare approximately 130-150 investment projects announced by Polish enterprises. These projects, which will be prepared, verified and worked out in detail by UNIDO experts, will constitute the basis for private talks between potential foreign partners and the Polish side. During these meetings, details regarding the

projects and the forms of cooperation needed to implement them will be discussed. Clearly, the preferred forms will be: The creation of companies, the transfer of technology, the supplying of equipment, access to foreign markets and the sale of some enterprise stock to foreign firms and banks.

Many important firms from Western Europe, the United States, Canada, Japan, and Australia will take part in the forum. Institutions which are in a position to finance investment in this field have also registered to participate. In all, the participation of more than 100 potential foreign partners is planned.

Polish diplomatic and trade institutions abroad, the UNIDO main office, the UNIDO office in developed Western countries and others will be used to conduct a campaign promoting the readied projects. They will also promote the forum itself outside of Poland.

Concurrent with the forum, a series of lectures and seminars will be held on economic policy and the problems connected with foreign investment in Poland. Representatives of economic life in Poland and in foreign countries will participate in these lectures and seminars.

Interested enterprises may obtain information on the forum from the Ministry of Industry and Trade, telephone 29-42-56, from the Information Center of the Ministry for Ownership Restructuring Affairs, telephone 630-56-56, 630-60-91 and from the UNIDO office, Warsaw, Niepodleglosc Blvd 186, telephone 25-91-86, 25-94-67, fax 25-89-70, telex 817-916.

Polish Ports as Outlets for Ukraine, Byelorussia

92EP0333A Warsaw ZYCIE GOSPODARCZE
in Polish No 9, 1-7 Mar 92 p 16

[Article by (SBW): "From Gdynia to Ukraine"]

[Text] In the opinion of the Unikonsul Consulting Firm which belongs to the Hamburg Senate, Poland is in danger of moving progressively to the periphery of sea transports, ports and the whole of transit operations on the east-west and north-south axis. The Ministry of Transport and Maritime Management also agrees with these opinions. World shipping lines (especially container lines) now end at West European ports, primarily those of Germany. This is also the case with Polish carriers, which are transporting foreign freight more and more. While in 1990, they transported 9.705 million tonnes of small articles of freight, a year later they transported 8 percent less. The share of Polish goods in bulk goods transported aboard the ships of Polish owners declined from 66 percent to 50 percent. Already now in terms of the value of transported goods, 70-80 percent of the total volume of freight is small articles of freight and the containers of foreign customers. According to Unikonsul's calculations, transport within 400 km of Hamburg is more profitable by rail and highway than by sea. The calculations of the German experts show that sea transport from Polish ports is profitable if the goods do

not travel farther than Bydgoszcz. Farther south it is more profitable to transport by rail directly from the West. Given this situation, the shipping ministry sees the future of sea transport in the transporting of small articles of freight and containers from Polish ports to Minsk, Kiev, and Moscow, using special container trains (bloc trains). These trains would be the property of companies created by the PKP [Polish State Railway], the PKS [State Motor Transport] and the PLO [Polish Ocean Lines], for example. The bloc trains would be directed toward Terespol and would be reloaded onto broad wheel base drafts. Orders to supply goods "door-to-door" at a given hour on a given day would be taken by shipbrokers' offices located in the more important cities of the former Soviet republics. German shipowners from Klappeda or Krolewiec will propose similar services in a few years following the stabilizing of the political situation in the former republics. Thus, for the time being, we have the advantage over our rivals for becoming a transit "window on the world" for Byelorussia or Ukraine. In trade with the West we will also have to place greater emphasis on highway-rail transport. Let us add that already now the Container Terminal in Gdynia is not being fully utilized, and in the opinion of Western experts, further investments in bases for reloading iron ore, coal, crude oil, and the like are not needed.

In the opinion of Unikonsul, the rate of increase in the maritime economy will grow only a few percentage points annually until the year 2000. Paradoxically, however, the unmodernized rail and highway network will hinder its development.

Reporter Meets Ukrainian Underworld 'Boss'

AU0804163192 Warsaw GAZETA WYBORCZA
in Polish 3 Apr 92 p 12

[Report by Stefan Gados: "A Drink With Lvov's Al Capone"]

[Text] Vasilii drove me in a Samara to a Lvov cafe where I was to meet a very important underworld figure. I had been trying to arrange the meeting for a long time.

Basil took a look at his watch and put his foot down on the accelerator. He ignored the red light at the crossroads and drove right through. We passed some Lvov police cars, and Vasilii just greeted the police with a wave.

There were two young men waiting outside the cafe. Vasilii handed over the keys to the car. We sat down at a table and ordered cognac. I felt excited as I waited for one of the "bosses" of the Lvov mafia. Vasilii advises me to call him Andrey.

Two men suddenly appeared. One of them, who was built like a truck, walked past us and joined four men sitting at a neighboring table. The second, who was handsome and elegantly dressed in a fashionable suit, sat down at our table. Vasilii introduced me and he gave a brief reply: "I am Andrey, we have half an hour." He

looked more like a scholar. He spoke Polish fluently, and I realized that he could also speak English and French.

He asked me what I was interested in. I said that I was surprised that the police had not stopped us on our way here, and that they and Basil had greeted each other instead. Andrey's response was to say that if he had known that I was that ignorant, he would not have bothered with the meeting.

He explained without boasting: "We have important people in our pocket, not just in the justice administration but the government too. The authorities are weak, they have a lot of matters to deal with, and they prefer peace to taking risks."

Andrey said that the mafia had everything under control in Ukraine and that it was now time to start operating abroad. Poland is the nearest country that they were in the process of penetrating. "We have our people there and they are doing very well. For the time being, they are mainly involved in sending girls to Poland, dealing in foreign currencies and drugs, and since there is an excellent network of car thieves in place, they are able to cross the Polish-Ukrainian border without the slightest difficulty." The mafia's long-term plans are very ambitious: They intend to invest in enterprises in order to create a legitimate front in Poland.

The Lvov Al Capone looked at me and said with a hint of irony: "If someone in your government were to offer us a certain sum, I think that within the space of a month we could find Lech Grobelny and hand him over to Poland. Mafia structures are only just beginning to be formed in your country. We already have a lot of experience. Some of our people fought in Afghanistan. If we wanted to, we could control the criminal structures that are just now developing in Poland. We are not going to do that for the time being, because cooperation with Poland is working out well."

Asked whether conditions in Poland were good for the development of organized crime, Andrey said: "Your society is more religious than ours, your people have more scruples. When the economic situation gets worse, Poles will agree to do anything for a large sum of money. Wasn't that what happened in Catholic Sicily?"

Concerning investment in Poland, Andrey said with a smile: "You can be sure that none of our people are going to head the companies or plants in Poland. That will be the job of your people. Some of them are already asking us for money. By giving them cash, we will control the business."

Andrey continued: "Recently, a very large Polish private company (it unexpectedly found itself facing bankruptcy) approached us (this was, of course, done very secretly) and asked for support. We decided not to put some \$2 million into the business because the risk was too great. The Polish press had been making a great deal of noise about the company. If someone had suddenly paid off its debts, it would have looked suspicious.

"We will create companies in Poland from scratch. We will ensure that there are markets for the products in Ukraine and the neighboring republics."

I left with my go-between, Vasiliy, who explained to me that "they" cross the border at Medyka in a couple of minutes, whereas normally one has to wait several days. He told me about the mafia's ways of doing things: "We do not show any mercy. One of our people failed to settle up for the sale of some drugs that he delivered in Munich (the sum involved was \$220,000). He stayed there with his wife and child and tried to forget about the organization. He was quickly found. First, his child was killed in front of him, then his wife was raped, and then he was hanged.

"When we had to invest \$1 million in Italy, the money was taken there by some of our most experienced people, who have been cooperating with our Sicilian friends. Money is the source of our strength, and we preserve order."

I did not ask any more questions, as had been agreed beforehand.

POLITYKA Weekly News Roundup: 22-28 Mar

92EP0311B Warsaw *POLITYKA* in Polish
No 13, 28 Mar 92 p 2

[Excerpts]

National News

[passage omitted] The management at television has deleted the program "Letters on the Economy"; president Jan Puzyczny decided to fire the authors of the program, Andrzej Bober and Andrzej Zaporowski, for disciplinary reasons. They were accused of "dishonest journalism and abusing the state antenna to settle private issues and disputes." On his program, A. Bober recited a report from the weekly WPROST that the television Wiktor awards were not given to those individuals selected by the viewers (for example, J.K. Bielecki was selected but the jury gave the prize to J. Kuron; the jury selected W. Walendziak, who received 10-times fewer votes than T. Lis, as the most popular journalist). Maciej Ilowiecki, the chairman of the jury, declared that the viewers only indicated the candidates and that the competition judges made the award independently; otherwise, the jury was unnecessary.

Declaration of the Liquidation Commission for the Workers' Publishing Cooperative: "In conjunction with the removal of Dr. K. Strzyckowski from the position of chairman and member of the Liquidation Commission for the Workers' Publishing Commission by Prime Minister J. Olszewski, the members of the Liquidation Commission are suspending their activities until the intention of this decision is explained. The members regard the way in which Dr. K. Strzyckowski was removed as unacceptable.

A spokesman for the National Bank of Poland said that detailed information concerning the revaluation of the zloty will precede the introduction of the revaluation by

at least six months. We face a revaluation, but it will not be fiscal, we will be able to use both the new and old money during the same period. [passage omitted]

The Public Opinion Research Center did a survey on society's mood on 5-10 March 1992. More than 60 percent of the respondents think that the situation in Poland is going in the wrong direction; and nearly 70 percent think that no one is in control of developments. Forty-three percent of the respondents expressed the conviction that in the course of the next year the situation will get worse; 34 percent that it will not change. The greatest pessimists are individuals of 45-54 years of age, those with a higher education, farmers, and individuals poorly situated.

During a meeting with union members in Gdynia, Ewa Spychalska, the chairwoman of the OPZZ [All-Polish Trade Unions Agreement], announced new strike tactics. Only those plants, which are regularly producing income for the state treasury will strike.

Unemployment in Suwalki voivodship from a report in KRAJOBRAZY: At the end of February 1992, there were 47,500 individuals without work, of whom nearly 12,500 had no rights to benefits. Among the unemployed, nearly 1,000 are young people; about 3,500 are school graduates (including 87 with higher educations); more than 350 are invalids. Sixty factories have announced they will release more than 1,200 employees in all. [passage omitted]

According to GLOB 24, it cost 24.5 million zlotys (Z) to change the name of Prominski Street in Lodz to Marshal Edward Smigly-Rydz Street. That is the cost of 35 new street signs. The magazine reports: "They are surely the largest in Europe."

The Center For Research on Public Opinion on politicians. The March surveys showed that Jacek Kuron has the greatest level of confidence; then come Krzysztof Skubiszewski, Jan Olszewski, Bronislaw Geremek, and Lech Walesa (the percentages range from 86 down to 51 percent). [passage omitted]

More than 2,000 nurses from all over Poland demonstrated in Warsaw to demand a clear definition of the government's policy toward the health service, especially regarding middle-level medical personnel. Among the slogans was "When Walesa gets sick, let him treat himself." [passage omitted]

RZECZPOSPOLITA asked: What sum are you ready to earmark for your child's education each month, for health services? The average respondent would earmark Z136,800 for education and Z119,000 for health services. Those with incomes below Z700,000 per capita responded Z109,400 and Z100,700 respectively, and those with incomes of Z3 million per capita responded Z280,300 and Z321,700.

In the Sejm, Deputy T. Iwinski confronted Jan Parys, minister of defense, saying that if deputy minister Radoslaw Sikorski had fought in Afghanistan while there as a war correspondent that he had violated the Geneva Convention, which forbids correspondents to be active participants in armed conflict. Minister Parys responded: "I think these fragments of Mr. Sikorski's life which the deputy regards negatively are the strength of his person and are a good example for the young generation of Poles." The minister explained that R. Sikorski used a weapon in Afghanistan in self-defense in battle.

Who's News

Prof. Janusz Ziolkowski (age 68) has been named head of the Chancellery of the President of the Republic of Poland. He holds a doctorate in sociology. In 1981, he was elected rector of the Adam Mickiewicz University in Poznan; in January 1982, he was removed from the position. Since 1980, he has been a member of NSZZ Solidarity. He has five children. Roman Wierzbicki (age 55), an engineer and Sejm deputy, who held the position when the previous chairman Gabriel Janowski was minister, has been named the new chairman of NSZZ Solidarity of Individual Farmers.

Opinions

[passage omitted]

Marek Borowski, deputy, on the hearing of A. Olechowski, candidate for minister of finance, by the Sejm commission for the budget and finances:

(ZIEMIA GORZOWSKA 19 March 1992)

"Deputy Rulewski of Solidarity, humbly recalled that he spent a certain part of his life in isolation and then gave to understand that the candidate for minister of finance who did not have such a page in his biography is not fully credible.

"That was undoubtedly a heavy accusation. Olechowski, a man of 195 cm height who weighs 100 kg, was the goalie for his student club and has never been numbered among the timid, but this time he felt the ground give way beneath his feet. I saw how desperately he sought a justification, why he studied and worked instead of going into the underground; 1,000 thoughts must have gone through his mind. After an unbelievably long period of several seconds, he chose one of them that seemed to him the most obvious: 'I think, deputy, that I was not born a revolutionary, and perhaps I am too tall to work in the underground.'"

Piotr Naimski, head of the Office of State Protection:

(Interviewed by Grzegorz Stęczkowski, SPOTKANIA 12-18 March 1992)

[Naimski] One should remember, however, that the decision to become a functionary of the Office of State Protection is not just a financial decision; it is also a choice of life style and a certain responsibility. That is the additional sieve through which one must go.

[Sieczkowski] Perhaps that sounds like an announcement of a new verification.

[Naimski] There is no chance of another verification of personnel. Our employees verify themselves in the

course of their daily work. In action, one checks their desire to work and loyalty to the interests of the state. I do not foresee any mass firings or movements of personnel. However, in individual cases there will be normal personnel changes.

Expelled PNL Leader Wants To Preserve Unity

AU2804071392 Bucharest DREPTATEA in Romanian
23 Apr 92 pp 1, 3

[Unattributed interview with Nicolae Cerveni, former vice president of the National Liberal Party, in Bucharest on 21 April: "Mr. Radu Campeanu Manipulated the Permanent Delegation of the National Liberal Party"]

[Text] [DREPTATEA] Mr. Cerveni, why were you expelled from the National Liberal Party [PNL]?

[Cerveni] I do not know. I was not told the reasons for this decision. Several party friends told me about it. However, no official explanation was given to me.

[DREPTATEA] Still, there must have been a reason. Such a reason was presented at today's PNL news conference, namely that you went to the tribunal to register a new party: the PNL-Democratic Convention [CD].

[Cerveni] Things are like this: Given the tense situation of late in our party, pressure was applied on me to legally regulate the fusion between the Socialist-Liberal Party [PSL] and the PNL. Therefore, yesterday I went to the tribunal to change the name of PSL into PNL-CD, because I cannot renounce my stand in favor of the opposition's unity, which is known to everyone. I received a telephone call in the middle of the night asking me to go to the party headquarters for a meeting of the executive bureau attended by Radu Campeanu, too. Naturally, I refused, saying that that was not a fit hour for a meeting. The following day, I learned of my expulsion.

[DREPTATEA] Mrs. Maria Tetu was expelled along with you. What was the reason for that?

[Cerveni] If I might be considered guilty to a certain extent, things are quite inexplicable in the case of Mrs. Tetu. She visited me yesterday in court, and since they knew her position, which is identical with mine, they found a pretext for such a step. However, I repeat, she was not a member of the PSL, hence she is not involved in this matter.

[DREPTATEA] Do you know of other people who may receive such treatment?

[Cerveni] I do not know what other steps the PNL leadership intends to take. All I know is that such measures are not likely to be beneficial to the party.

[DREPTATEA] What are you going to do now, Mr. Cerveni?

[Cerveni] I hope that those who took this step will reconsider their decision. There is still time for them to realize that they were wrong.

[DREPTATEA] What if they will not reconsider that decision?

[Cerveni] It is too early for me to speculate on that now.

[DREPTATEA] Was your expulsion in keeping with the party statute?

[Cerveni] I know the PNL statute very well. I doubt that Mr. Campeanu is as familiar with it as I am. Anyhow, the current statute grants very broad powers to the president, enabling him to make such decisions.

[DREPTATEA] What was the reaction of the PNL members on hearing about your expulsion?

[Cerveni] More than 200 lawyers and many PNL members or supporters expressed their support for me. I have no other reactions so far. However, I expect a wise reaction, particularly from the party's leadership.

[DREPTATEA] Mr. Cerveni, what is the real position of the local PNL branches toward the CD? I am asking you this question because the party's spokesman, Mr. Sorin Botnaru, said that only two branches expressed the desire to join the CD.

[Cerveni] Let us make things clear: Mr. Botnaru is not the PNL's spokesman....

[DREPTATEA] Nevertheless, he holds the news conferences, gives interviews, and occasionally assumes even the unction of censor of opinions expressed by other members of the PNL leadership...

[Cerveni] Sorin Botnaru is the most noxious element in the PNL. I do not know what role is played by this man, but since he came to the PNL (from the National Salvation Front—the daily's editorial note) he only did harm to the party. As a matter of fact, only two people in the PNL know exactly who this guy is: One is Mr. Campeanu and the other one is Mr. Botnaru himself. I repeat, aside from his quality as deputy in Parliament, he has no other function in the party.

Since we are talking about him, I recall that we had several discussions in the Provisional National Unity Council [CPUN], with him maintaining that Mr. Iliescu is the man best suited for the position of head of state, while I contradicted him, naturally.

[DREPTATEA] Coming back to the local branches....

[Cerveni] Two branches clearly said that they want to go with the CD. The other six branches held extremely close positions—only the details about their participation in the CD had yet to be worked out. The great majority of the local branches were sympathetic to the CD; their joining the united opposition depended on negotiating certain aspects. But nothing was impossible.

(At this point, Mr. Adrian Mihaila, PNL executive secretary, who was in Mr. Cerveni's office, intervened.)

[Mihaila] If you recall, at the latest PNL news conference, Mr. Botnaru said that there had been encouraging contacts with the PNT-CD [National Peasant Party-Christian Democratic] to the extent of achieving an alliance of the

historical parties. This is a lie! There had been no such contacts! Moreover, at the meeting of the permanent delegation, the representatives of many county branches

were taken in by the possibility of such an alliance. There is no doubt that, had they known the truth, their position toward the CD would have been different.

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